FBIS DAILY REPORT

CONTENTS

Latin America

Vol VI No 240 *13 December 1985*

INTER-AMERICAN AFFAIRS

5th Andean Parliament Meeting Begins in La Paz [AFP] A 1
'March for Peace' To Leave Panama 12 December A 2
[STAR AND HERALD 12 Dec]

ARGENTINA

Resolutions From UCD Meeting Announced B 1
Former Minister Held for 'Economic Subversion' B 1

BRAZIL

Sarney To Reduce Number of Cabinet Ministries D 1
Funaro Rejects IMF Monitoring of Economy D 1
[FOLHA DE SAO PAULO 11 Dec]
Setubal Speaks at Shevardnadze Luncheon in USSR D 2
[O ESTADO DE SAO PAULO 10 Dec]
Army Carries Out Maneuvers Near Colombian Border D 5
[FOLHA DE SAO PAULO 1 Dec]

CHILE

Pinochet Says No Plebiscite, 'Surprise Coming' E 1
Government To Talk With Accord Promoters E 1
Minister del Valle on OAS, Peruvian Meetings E 1
Carabineros Disperse, Arrest Longshoremen E 2
Six FPMR Members Arrested, Identities Revealed E 2
Carabineros Agent Reportedly Joins FPMR E 3

COLOMBIA

Ministers Note 'Serious' Law, Order Situation F 1
Rebel Graves Discovered; U.S. Engineers Kidnapped F 1
M-19 Creates 'Andres Almares Manga' Command F 2
[EL TIEMPO 7 Dec]
Two ELN Factions Reiterate Rejection of Truce F 2

ECUADOR

President To Visit U.S. 12-19 January G 1
Finance Minister Unperturbed by OPEC Decision G 1
Briefs: New Navy Commander G 2

PARAGUAY

BCP President Involved in Foreign Exchange Scam H 1
Legislators Also Involved H 1

PERU

Alva Castro Announces Foreign Debt Rescheduling J 1
Romero Caro Sworn In as New Industry Minister J 1
39 Die in Vigilante-Shining Path Clash J 2
Police Detain 4 Members of Kidnap Ring J 2

MEXICO

Sepulveda Views Sovereignty, Area Conflicts M 1
Outlines Foreign Policy M 1
Sepulveda Departs for Montevideo, Buenos Aires M 2
Mexico, Peru Sign Cooperation Agreements M 3
FRG To Invest $350 Million in Industry M 3

CENTRAL AMERICA

EL SALVADOR

FMLN-FDR Agrees To Attend University Dialogue P 1
[Farabundo Marti]
Statement on Legal Opposition P 1
FMLN Commander Interviewed on Recent Clashes P 2
[Farabundo Marti]
Further on Guazapa Attack [Venceremos] P 4
San Vicente Coffee Plant Destroyed; 18 Killed P 5
[Farabundo Marti]
'Santa Ana Protection Army' Issues Communique P 5
[EL MUNDO 10 Dec]
Correction to FMLN on Status of Government P 6

GUATEMALA

Mejia Reacts to Cerezo Statements on Plans P 6
Secret Anticommunist Army Reemergence Viewed P 8
[EL GRAFICO 10 Dec]

HONDURAS

Azcona Says Montoya Statements 'Twisted' P 8
Strike at Standard Fruit Company Continues P 9

NICARAGUA

Ortega Interviewed on Contadora, U.S. 'Invasion' P 10
National Assembly Statement on U.S. Aggression P 12
[BARRICADA 10 Dec]
D'Escoto Interviewed on National Situation [Tokyo] P 13
Arrests for Bomb Blast at Procession Reported P 15
Information Minister on Official Visit to Iran [cross-reference] P 15

CUBA

UN Ambassador Denies Troops' Presence in Nicaragua Q 1
Cuban Diplomats Accused of Kidnapping Attempt [EFE] Q 1
USSR's Ponomarev Receives Ambassador Soto Q 2
Soviet Oil Industry Cooperation Acknowledged Q 2
New Uruguayan Ambassador To Arrive in January Q 2

GRENADA

Blaize Reports Aid Received Through South Korea S 1
Local Government Elections Planned for 1986 S 1

NETHERLANDS ANTILLES

Former Prime Minister To Form New Cabinet S 1

ST VINCENT AND THE GRENADINES

Caribbean Reaction to Guyana Elections Noted S 2

GUYANA

Further Reportage on General Election Results T 1
Hoyte Sworn In as President T 1

SURINAME

Political Party Leaders To Visit Netherlands U 1
Netherlands Minister on Diplomatic Relations U 1
Labor Minister Dankerlui Forced To Resign U 1

5TH ANDEAN PARLIAMENT MEETING BEGINS IN LA PAZ

PY121535 Paris AFP in Spanish 0304 GMT 12 Dec 85

[Text] La Paz, 11 Dec (AFP) -- Bolivian President Victor Paz Estenssoro has opened the fifth meeting of the Andean Parliament. The president called for the unity of all the Andean countries to meet the challenge to overcome backwardness and defend democracy in an effort to improve the current institutions and play an important role.

Participating in the meeting are the member countries of the Cartagena Agreement -- Peru, Ecuador, Colombia, Venezuela, and Bolivia. Bolivian Vice President Julio Garrett Ayllon was installed as president of the parliament for 1 year.

Paz Estenssoro emphasized the critical situation affecting the countries producing raw materials which benefit the development of the capitalist and socialist industrial complex. He also said that there is no surplus to pay foreign debt obligations.

The president added that the democratic system is the best framework to find formulas for development, which, in addition to solving the current crisis, would solve the structural problems responsible for the unequal and unjust trade situation.

Regarding Bolivia's situation, Paz Estenssoro said that the disaster created by the fall of international tin prices has worsened the effects of the crisis and that the Bolivian Government will have to implement economic and social measures to handle the situation.

In conclusion, the president said that the cooperation plan proposed by international organizations can be helpful and if made at the appropriate time will permit many problems to be overcome.

The outgoing president of the Andean Parliament, Colombian Jorge Tadeo Lozano, said that the initial efforts of those who created the parliament are yielding progress despite problems and limitations.

He criticized the current neoimperialist and colonial policies, saying that because the foreign debt and interest rates are so high and the international system so complex, the debt has become practically unpayable. He asked that the creditor banks be more flexible to solve the serious problem with international commitments.

The new president, Garrett Ayllon, welcomed the representatives of the Andean countries, noting that the main points to be evaluated are the foreign debt, unequal trade, the international struggle against drug trafficking, food problems, and the creation of the Simon Bolivar Andean University.

In conclusion, Garrett asked the representatives of Peru, Colombia, Ecuador, and Venezuela for their support for the Bolivian aspiration to get a sovereign and useful outlet to the Pacific Ocean, the type of support already given by 130 UN members.

'MARCH FOR PEACE' TO LEAVE PANAMA 12 DECEMBER

PA121340 Panama City STAR AND HERALD in English 12 Dec 85 p 1

[Text] A group of 300 pacifist comprising the "March for Peace" will begin their trip to the Panama-Costa Rica border at 3 p.m. today, where they will continue their tour of five Central American countries by car.

The pacifists, who have been in Panama for two days, yesterday visited the tomb of Gen. Omar Torrijos Herrera, who dominated the Panamanian political scene from 1968 to 1981, when he died in an aircraft accident.

The leaders of the "March of Peace" are Troil Eide (Norway); Blais Bonpabe (USA); Dirk Drijbome (Belgium) and Ruth Olsen (Sweden) who acts as the official spokesman for the organizing group.

One of the principal activities of the group, yesterday, was a march along the Avenue of Martyrs, which runs parallel to the Canal Zone.

And, as occurred Tuesday, during a concentration of the group in the Plaza Porras in Panama City, passersby shouted epithets such as "Communist Bums, Go Home".

Early today, the group will be at Rio Hato Airbase and later at the Cocle University for a giant concentration. Later in the night, they will journey to Santiago, Veraguas.

On Friday 13 [as published], the group will cross the border and enter Costa Rica.

Jesse Jackson, American black leader, invited to the march failed to arrive and one of the organizers said he understood "Jackson will now join the group in Managua, Nicaragua, on Monday".

Radios, newspaper and television in Panama have classified the march as a "Pro-Communist Inspired Army in Support of the Nicaraguan Government".

Troil Eide of Norway, one of the organizers of the march said that "We are a group of peaceful people, not professing the communist ideology. We are people who do not want a war in Central American and for that reason we are making this tour singing for peace and harmony among all humans".

Up to last night it was not clear if they would be allowed to pass through Costa Rica. President Luis Alberto Monge has said he would prefer the march not to cross his country because it was organized by communists.

And Costa Rica Minister of the Presidency Danilo Jimenez Vega said "Any foreigner wanting to enter Costa Rica...will have to have his immigration papers in order".

RESOLUTIONS FROM UCD MEETING ANNOUNCED

PY121652 Buenos Aires TELAM in Spanish 0018 GMT 11 Dec 85

[Text] Buenos Aires, 10 Dec (TELAM) -- The Democratic Centrist Union (UCD) has resolved to give priority to the strengthening of party structure nationwide. At the same time, it reaffirmed its decision to advocate the organization of a great national liberal party through agreements with political groups of similar leanings. This was the main conclusion of the UCD plenary meeting which took place yesterday. The results of this meeting were officially disclosed today in a press communique that sums up the various resolutions.

The UCD National Executive Board also resolved to set up a commission charged with drawing up a code of ethics and procedures in order to provide guidelines for the behavior of party leaders. This is the result of the displeasure arising from recent statements by municipal councilmen Pedro Benegas and Adelina Dalessio de Viola and Deputy Federica Clerici, who had commented favorably on the possibility of the UDC joining a large national party with liberal leanings. The position of party leader Alvaro Alsogaray and his daughter Deputy Maria Julia Alsogaray to the effect that the UCD must seek to grow as a national party while leaving the decision to enter into possible alliances to district leaderships prevailed at yesterday's plenary meeting.

Another commission was set up to develop the doctrinal foundations of the UCD in order to facilitate the training of leaders and especially the young people who join the party. This decision came in the wake of complaints from certain leaders who alleged ideological deviations among young members who had joined the party recently.

Another working commission will evaluate the political and legal aspects of the federal court sentence against former military commanders accused of violating human rights. The ruling of this commission will provide the basis for the UCD's official opinion about the sentence that established punishment for five of the former military junta members indicted by the executive branch but acquitted four of them.

Apart from these matters, Alvaro Alsogaray's party stated its categoric opposition to the establishment in Argentina of a PLO diplomatic mission. The party firmly rejected the request that the Committee for Solidarity with the Palestine People has sent to the government and warned that PLO's history shows that it opposes any peaceful solution to the Middle East conflict.

FORMER MINISTER HELD FOR 'ECONOMIC SUBVERSION'

PY121150 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1715 GMT 11 Dec 85

[Text] Buenos Aires, 11 Dec (NA) -- Federal Judge Nestor Blondi today ordered the preventive custody of former Economy Minister Jose Martinez de Hoz, who was found "prima facie" responsible for economic subversion by having "implemented a policy that indebted the Government Oil Deposits (YPF) in foreign currency thus causing the total loss of its capital." The judge also ordered the freezing of Martinez de Hoz' assets valued up to 850 million australes.

Martinez de Hoz' preventive custody will not be carried out because he is already on bail.

SARNEY TO REDUCE NUMBER OF CABINET MINISTRIES

PY120251 Sao Paulo Radio Bandeirantes Network in Portuguese 0130 GMT 13 Dec 85

[Text] Tomorrow's newspapers will report on the cabinet reform, which will reduce the number of ministries. President Sarney will decide on the names of the new ministers before the end of January after meeting with the current ministers, probably in the Alvorada Palace.

During the first week of February the president will issue formal invitations to the new ministers, and in the second week he will allow them to form their own advisory teams. Sarney is firm in his position to allow the ministers to appoint replacements to the posts they will have to leave without any political pressure.

The following ministries may disappear on the occasion of the cabinet reform: Agrarian Reform [Reforma Agraria], Housing and Urban Affairs, and Debureaucratization.

Sarney is even considering the withdrawal of the Secretariat of Planning [Seplan] from its executive functions, to make it once again an advisory agency for the president. The same is being planned for the Debureaucratization Ministry.

Just as he may deactivate ministries, Sarney may create a social welfare ministry [ministerio do bemestar social] which is an old idea of his.

FUNARO REJECTS IMF MONITORING OF ECONOMY

PY121704 Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 Dec 85 p 1

[Text] Finance Minister Dilson Funaro stated yesterday in Brasilia, after a meeting with President Sarney, that the Brazilian Government has not changed its position regarding negotiations with creditor banks and the IMF. "We do not accept monitoring by the IMF, and we do not need new money for next year. Our foreign reserves are at a good level -- approximately $9 billion -- and we are in a position to hold out for another year without an agreement with foreign banks," he states.

Funaro added that upon the establishment of the domestic adjustment program with the support of Congress, the government will brief the IMF on the gist of this program. This is what Central Bank President Fernao Bracher is doing in the United States, he explained.

According to Funaro, it is up to the IMF to say whether or not it agrees with the program. "They must agree, because it is an austere program which considerably reduces our public deficit, adjusting our budget. The government does not want to spend more than it has in its budget, and this will be attempted without interference by any foreign organization. We are dealing with the IMF as a member country of that organization." If the creditors do not want an agreement, conditioning it on monitoring by the IMF, then there will be no agreement. "Everything will remain as it is," he concluded.

From New York, Paulo Francis reports that the package recently approved by Congress is not acceptable to the IMF and creditor banks. He adds that the IMF predicts an inflation rate of 300 percent in Brazil by July 1986.

SETUBAL SPEAKS AT SHEVARDNADZE LUNCHEON IN USSR

PY121530 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Dec p 4

["Text" of speech delivered by Foreign Minister Olavo Setubal at a luncheon hosted by Soviet Foreign Minister Eduard Shevardnadze on 9 November in Moscow]

[Text] Mr Minister: I first wish to express my gratitude for the hospitality with which the Soviet Government has received me and my entourage. We were likewise very impressed by your words which showed a personal knowledge of my country and its physical and human characteristics. We are sure that this knowledge will be an additional factor for strengthening the ties between Brazil and the Soviet Union.

Mr Minister, the contacts between our peoples have a long history. The work of Baron Langsdorff, which is currently being exhibited in Moscow, attests to the contribution of this eminent Russian diplomat and naturalist to the development of natural sciences in Brazil during the first decades of the 19th century.

While serving as consul in Liverpool, the Baron of Rio Branco, patron of Brazilian diplomacy, visited the beautiful Saint Petersburg, now Leningrad, and actively participated in the 1884 international fair there. The potential importance of the relations between our two great nations did not escape the farsighted vision of the great Brazilian diplomat. After that trip, which took place more than a century ago, he was the first to propose creating a regular and direct line of trade between the distant empires of Brazil and Russia.

The vicissitudes of contemporary history have inevitably influenced and will continue influencing the course of our relations. We believe that the important thing is that we naturally accept the limitations stemming from history and geography, and that we dedicate ourselves to consolidating a stable, strong, and mature relationship.

Brazil is now going through a promising democratic process in its political and social life. Popular participation is becoming intense in all fields, claiming representative institutions and social justice. The new Brazilian Republic, based on a broad alliance of political forces committed to democracy and progress, intends to undertake the transition toward a regime of sovereign institutions and to begin solving the serious social and economic problems affecting our country.

A nation that is seeking to reorganize its national pattern on the basis of democracy and social justice cannot but authentically identify itself with the principles of conduct which reflect those aspirations in the field of international relations. In this manner, the Brazilian commitment to the principle of sovereign equality among nations, its respect for the principles of self-determination and noninterference, and its support for the cause of peace and disarmament, have been strengthened.

We consider ourselves a pluralistic society which, on account of our historical background and ethnic and cultural makeup, turns naturally toward contacts with all nations. Universalism, a new horizon opened up by modern science and defined as the scope of peaceful coexistence by the San Francisco Charter, is one of the basic principles of our foreign relations. We do not believe in partial or exclusive visions or options in the field of foreign relations. Our desire is to cooperate only and equally with all countries, on the basis of nonintervention in domestic affairs, mutual respect, and reciprocal benefits.

Mr Minister, the international community received with hope and relief the joint U.S.-Soviet declaration after the Geneva summit in November. It said that in a nuclear war there cannot be winners, and that one should not be started, and that neither of the two parties will try to obtain nuclear superiority over the other. Those words encourage the hope for peace of all mankind. Brazil in particular has reiterated its position of condemning the arms race, and of giving its sincere support for promoting negotiations leading to nuclear disarmament. We believe that the nuclear powers, especially the United States and the Soviet Union, have a special responsibility in the disarmament process, which should progress through an effective combination of bilateral and multilateral negotiations, mainly within the framework of the UN disarmament conference.

We also see a very clear connection between disarmament and economic and social development. The resources now used for the maintenance and improvement of destructive weapons should be used in nobler tasks, such as overcoming the misery which affects so many inhabitants of our planet.

Regarding this subject, I would like to recall that before the Geneva meeting, Jose Sarney, president of the Federative Republic of Brazil, sent a letter to CPSU Secretary General Mikhail Gorbachev expressing his hope that the improvement in East-West relations and the resumption of negotiations on nuclear disarmament would pave the way for the desired transfer of human and material resources to the urgent and constructive tasks of socioeconomic development.

We also listened with great interest and optimism to the words of the CPSU secretary general during the important interview he granted to the international press in Geneva. His excellency said that all nations, whether capitalist and developed, socialist, or developing, have economic, social and ecological problems which must be solved through cooperation. He added that the Soviet Union could not isolate itself from the developing world, since the new policy, based on concrete realities, forces us all to search for answers to the problems of the countries which are struggling for a better life.

Mr Minister, Brazil is one of the many countries which are struggling to eliminate economic backwardness and give their population better standards of living. Particularly adverse conditions of the international economy have created serious difficulties for my country and many other Latin American and Third World countries. At this moment, through great domestic sacrifices, we are trying to overcome those difficulties and again take the road of economic and social development. Many aspects of the international economic order must be reviewed so as to permit a more just and harmonious coexistence among developed and developing countries.

Mr Minister, this is the first visit of a Brazilian foreign minister to the Soviet Union. It represents, as I have already said, the expression of an emerging reality in Brazil. It also coincides with the beginning of a phase of renewal in Soviet political life, which we witness with interest.

This year marks the 40th anniversary of relations between the Republic of Brazil and the Soviet Union. I hope that the meetings with Your Excellency and other high Soviet officials, as well as the bilateral decisions and documents resulting from them, may mark the conclusion of a period, and at the same time the opening of new prospects for the future.

I April I sent a letter to your illustrious predecessor Andrey Gromyko, now president of the Supreme Soviet Presidium, expressing our willingness to give more dynamism to Brazilian-Soviet relations through exchanging visits at government level; political consultations, resumption of the expansion of trade and economic relations, balanced cultural exchange, and the invigoration of scientific and technological cooperation.

Economic and commercial relations -- based since 1975 on an agreement for the supply of Soviet machinery and equipment to Brazil and of Brazilian products to the USSR, and on overcoming the difficulties of geographical distance and a severe mutual lack of information -- are a firm reality today. However, we must pay special attention to this field. I recognize that Brazil must have made a special effort for this because it must import more and with greater regularity so as to increase the total volume of bilateral trade, in order to be able to increase its own exports. Previously, we have bought hydroelectrical equipment and other heavy industry goods from the Soviet Union. We must now find alternative products to replace those which are being produced in Brazil and no longer bought aborad. We will thus put the 1985 bilateral agreement to a more effective use. This agreement will be extended in a ceremony that will take place during my stay in Moscow.

It is also with great pleasure that I learn of the progress of the talks between the Vale do Rio Doce Company and the V/O Tyazhpromeksport under the State Committee for Foreign Economic Relations, and that the two enterprises have signed a protocol of intent on several matters of common interest. In this connection we must also emphasize the cooperation projects in the iron and steel industry, coal supply, and the transfer of technology for the recovery of valuable minerals. The Brazilian side is now waiting for the Soviet side to state its financial and commercial conditions for the undertaking of these ventures, which, if carried out, may become meaningful examples of the technological and industrial capacity of the USSR, and pave the way for new joint ventures with Brazilian enterprises.

Coordinated efforts in third markets, of which we have a certain experience, may also create opportunities for mutually advantageous activities. Summing up, Mr Minister, I would like to express Brazil's desire to expand its area of economic activity with the Soviet Union, so as to equalize the trade balance between the two countries. The agreement for technical and economical cooperation which I will sign with the chairman of the State Committee for Foreign Economic Relations will certainly give new strength to the initiatives with an eye to this objective.

Scientific and technological cooperation also offers us ample possibilities, especially in view of the large number of personnel, and the knowledge and techniques that have been accumulated by the USSR in this field. On the other hand, Brazil, through what it has already accomplished, will also contribute to this exchange. We have recently acquired Soviet technology for the production of alcohol from lumber. Based on the technological and scientific cooperation agreement signed in 1981, other fields will certainly be explored, both at the level of applied technology and that of pure science.

Mr Minister, Your Excellency's visit to Brazil in 1980 as the head of the delegation representing the Soviet Parliament opened an important chapter in the development of our political relations. Since then, and following the talks begun by the delegation Your Excellency headed in Brasilia, the exchange of groups of parliamentarians has become a tradition which has helped very much in obtaining greater mutual knowledge. Brazilian congressmen still have pleasant recollections of the warm welcome they received from Your Excellency when visiting your native land, Georgia.

The warmth of Your Excellency's meeting with President Sarney in New York during the sessions of the 40th UN General Assembly showed once again the Brazilian and Soviet desire to intensify the dialogue at all levels in an atmosphere of mutual respect and confidence.

The consultations annually held by the Brazilian and Soviet delegations on topics on the agenda of the UN General Assembly are also a valuable channel of communications.

We recognize the mutual usefulness of and interest in this experience, and tomorrow we will formalize, through a memorandum of understanding, a mechanism for political consultation through which our Foreign Ministries will keep each other informed about world matters that may be of interest to the two parties.

The talks held this morning gave us the opportunity to assert our faith in the principles of international coexistence contained in the UN Charter. We are deeply concerned, Mr Minister, about international tension, and it was with great satisfaction that I heard Your Excellency utter similar words condemning the arms race. We have agreed to highlight the link between disarmament and economic and social development, a concept of great importance to the developing countries.

Therefore, it is obvious that despite the differences in our social and economic systems, Brazil and the Soviet Union share many ideas upon which we can expand and diversify our bilateral relations. I bring to Moscow a message of goodwill, and I am ready to explore the possibilities of cooperation which can mutually benefit us, thus contributing to the progress of our peoples and to a better understanding among nations.

With these objectives in mind, I want to invite all those present to toast the prosperity of the Soviet people, and the health and personal happiness of Minister Eduard Shevardnadze. Thank you.

ARMY CARRIES OUT MANUEVERS NEAR COLOMBIAN BORDER

PY122054 Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 Dec 85 p 1

[Text] Last week the Brazilian Army conducted, with the help of the Navy, maneuvers in the westernmostarea of Amazonas State, along the banks of the Solimoes River, near the Colombian border. General Octavio de Medeiros himself directed the training operation, which shows the government's concern over the possible penetration of the Colombian guerrilla group M-19 into Brazilian territory and its participation in clandestine arms purchases and drug trafficking.

The maneuvers involved 125 soldiers and officers trained at the Center for Jungle and Commando Operations (COSAC) [Centro de Operacoes na Selva e Acoes de Comando].

PINOCHET SAYS NO PLEBISCITE, 'SURPRISE COMING'

PY122038 Santiago Radio Chilena in Spanish 1600 GMT 12 Dec 85

[By reporter Percival Bell from Government House]

[Text] President Augusto Pinochet today ruled out the possibility of calling a national plebiscite in the near future. Asked about lawyer Ricardo Claro's report on a project for the government to allegedly call a national plebiscite, the president replied: There has only been one Cassandra, and she died many years ago. He said, however, that a surprise will be coming soon but added no further details. These statements were made by the president as he returned to Government House from the foreign investments office of the Finance Ministry.

GOVERNMENT TO TALK WITH ACCORD PROMOTERS

PY130218 Paris AFP in Spanish 0026 GMT 13 Dec 85

[Text] Santiago, 12 Dec (AFP) -- It has been reported that the government today agreed to talk with the promoters of the National Accord, which was signed by the main opposition political forces under the sponsorship of the Catholic Church.

Interior Minister Ricardo Garcia has stated that he will meet with Sergio Molina, Jose Zabala, and Fernando Leniz, the coordinators of the National Accord, who have asked for an audience to explain the proposal of those who have signed the document. If the meeting is held it will be the first meeting between a representative of General Augusto Pinochet's regime and the promoters of the National Accord for the Transition to Full Democracy.

The Accord came into being through Juan Francisco Fresno, the Cardinal Archbishop of Santiago, and it was approved on 25 August by a broad sector of the opposition, including the conservative right and a sector of the socialists. The proposal asks for a reform of the Constitution that extended the mandate of General Augusto Pinochet until 1989, which will allow the free election of a democratic government.

The minister has confirmed that he has received a request for an audience from the promoters of the Accord, indicating that he will answer the note, although he did not reveal the date nor its contents.

MINISTER DEL VALLE ON OAS, PERUVIAN MEETINGS

PY122307 Santiago Domestic Service in Spanish 1630 GMT 12 Dec 85

[Text] It has been proven at the OAS that there are countries that believe in Chile and do not accept discrimination. This statement was made by Foreign Minister Jaime del Valle after he forwarded a full report to President Pinochet on the annual OAS regular and special meetings in Cartagena, Colombia. In addition, Minister del Valle reported to the president on his recent meeting with Peruvian Foreign Minister Allan Wagner in Lima.

[Begin del Valle recording] The president listened to the report with great interest. [Words indistinct] regional exchanges. I have no reason to conceal it. The president is pleased with the results achieved. He believes that what was achieved in Lima is very satisfactory and has accepted absolutely all the points that were established there. Because, obviously there were certain details which he could not [words indistinct] our criteria.

We showed the countries [at the OAS] that there were [discriminatory reports on Chile], lacking objectivity. This is why we were supported. Therefore, this is an important step. This does not mean that this is a final victory or anything of the sort. It is an important step we have taken. We have demonstrated that there are countries that believe in Chile and that do not accept discrimination. That is what is most important. [end recording]

On the other hand, the foreign minister stated that over the next few days the head of state will announce the new Chilean ambassador to the OAS.

In turn, Minister Del Valle stated that over the next few hours, he will have lunch with all the EC ambassadors as part of the yearend festivities.

Concerning the status of Chilean citizen Cesar Ismael Ovalle Morales, who is being held under arrest in an Egyptian penitentiary under the charges of drug trafficking, the foreign minister stated that the Foreign Ministry will study the situation. In addition, the foreign minister has stated that Ovalle Morales' relatives have not yet asked for a meeting with Foreign Ministry officials to assist him in case of need.

CARABINEROS DISPERSE, ARREST LONGSHOREMEN

PY122052 Santiago Radio Chilena in Spanish 1600 GMT 12 Dec 85

[Text] The peaceful march of the longshoremen toward La Moneda Palace ended abruptly here at Huerfanos and Ahumada Streets a few minutes ago. The march was peaceful and the workers wished to deliver a letter with their petitions to Government House. The march was stopped by the Carabineros as the public applauded the workers march and shouted slogans against the government.

The Carabineros immediately and violently dispersed the march, and the atmosphere remains tense here. The Carabineros are dispersing the public and threatening to bring in a water cannon. There have been an undetermined number of arrests, but it is thought that about 10 of the marching longshoremen have been arrested by Carabineros.

It has just been reported that about 10 people were arrested during the longshoremen's peaceful march to La Moneda Palace. Their names and positions are: Walter Astorga, president of the San Antonio Bay Sailors' Union; Sanatiel Sanchez, secretary of Congemar [expansion unknown]; Heriberto Jara, president of the First Longshoremen's Union of Valparaiso; and Raul Vega, secretary of the San Antonio Sailors Union.

The Carabineros also arrested some members of the public who expressed solidarity with the longshoremen by shouting slogans against the government. They are Ruth Montanares, Rosa Munoz, Samuel Valdivia, Claudio Jaque, and Juan Munoz. All those arrested are in the first police precinct on Santo Domingo Street.

SIX FPMR MEMBERS ARRESTED, IDENTITIES REVEALED

PY120259 Santiago Domestic Service in Spanish 2200 GMT 11 Dec 85

[Text] Six terrorists of the Manuel Rodriguez Patriotic Front [FPMR] were placed at the disposal of the Seventh Region military judge advocate office.

[Begin relay from Radio Nacional de Talca by unidentified reported] The National Intelligence Center [CNI] has placed six FPMR terrorists at the disposal of the Talca military judge advocate's office. The terrorists used explosives in attacks in the seventh region. They blew up the (Hachibueno) bridge on 1 November interrupting the traffic south of Linares.

The FPMR regional chief, tne chief of logistics, and the operations chiefs of Talca and Linares terrorist groups are among these terrorists. Three of them received an extensive paramilitary training in Cuba and Bulgaria. They are the intellectual and physical perpetrators of most of the violence of the last few months.

Regional military intendency secretary Mariano Varas Fernandez gave their names in a press conference today: Vladimir Alexis Enriquez Munoz, 29, chief of the fourth FPMR zone which includes the 7th, 8th, 9th, and 10th region of Chile; Jose Gabriel Ortega Soto, 33, in charge of logistics; Manuel Jesus Arian Gajardo Zuniga, 27, chief of the Talca group to the FPMR; Roberto Antonio Arabena Linero, 32, chief of the Linares operations group; Edison Alvaro Rojas Acevedo, 19, member of the Talca FPMR group; and finally, Ana Maria Riveros Tapia, 17, an FPMR member.

Weapons, explosives, ammunition, and many documents were seized together with the terrorists. The CNI personnel also found detailed reports of the attacks committed by the Talca and Linares FPMR groups. They also found documents planning future actions such as eliminating military and police guards, assaults on Carabineros and CNI garrisons, and the murder of government officials. [end relay]

CARABINEROS AGENT REPORTEDLY JOINS FPMR

PY120219 Paris AFP in Spanish 1819 GMT 11 Dec 85

[Excerpt] Santiago, 11 Dec (AFP) -- The leftist Manuel Rodriguez Patriotic Front (FPMR), which promotes subversion against General Augusto Pinochet's regime, today reported that a government agent has defected to it after deserting from the Carabineros militarized police.

The agent was presented at a clandestine press conference with a hood over his head and dressed in his uniform. Two hooded militiamen were present, and they introduced themselves as national leaders of the FPMR.

The new member of the guerrilla organization, who said his name was Juan Antonio Rios, states that he had made the decision to leave his institution to join his people and to stop using repression.

The desertion has neither been confirmed nor denied by Carabineros authorities.

Two Carabineros agents were wounded on 10 December as they were pursued by a subversive group that had exploded a bomb in one of Santiago's Metro stations. Twenty nine Carabineros have died during the past 5 years in ambushes and confrontations; the last one was machinegunned on 7 December in the district of La Florida, located on the southern outskirts of the Chilean capital.

Rios stated that I felt very unhappy when a Carabinero died, but I understood that the regime is to blame and that it uses us for repression and that is why the people hate and attack us.

The press conference was held late on 10 December and Rios' statements were released today in a communique that the FPMR distributed to the media with a photograph of the new member.

MINISTERS NOTE 'SERIOUS' LAW, ORDER SITUATION

PA120255 Hamburg DPA in Spanish 1904 GMT 10 Dec 85

[Text] Bogota, 10 Dec (DPA) -- Government (interior) Minister Jaime Castro and National Defense Minister General Miguel Vega Uribe said today that the law and order situation in Colombia is "very serious" and warned that guerrilla groups are trying to destabilize the legal order and the country's institutions. In individual statements, the two officials of President Belisario Betancur's government called on the Colombian civilian population to be calm so that they can cooperate in reestablishing normalcy.

"The government will not allow the country to fall into the trap that former guerrillas, now terrorists, have tried to set," the government minister warned when he spoke to the country last night on television. The minister added that the government has opened its arms to those who welcome the peace policy and has simultaneously instructed the authorities to repel all attacks and to render powerless all those who seek "to destroy the nation with their insane attitude." "The government will respond forcefully and inexorably to those who try to destroy the institutions or disrupt order," Castro warned.

As for the minister of defense, he said that the situation in the country "is very serious because of the guerrillas." "The country must be aware, now more than ever, of the serious situation of violence that threatens us," Vega Uribe said yesterday when he presided over commemorative ceremonies at the Infantry School. He said that the Armed Forces will intensify their operations because of the current critical situation.

The guerrilla groups, especially the 19 April Movement (M-19), have announced that they will intensify their activities during Christmas and are threatening to stage attacks and terrorist acts in several cities in the country. "We are conducting the necessary military operations," said Vega Uribe, referring to the continuous attacks by the M-19 and the Popular Liberation Army (EPL), which are holding hostage several military officers captured during attacks in northwestern Antioquia, where a large-scale security operation has been launched.

The minister of defense said that the attack on a bus on Friday, 6 December, in downtown Bogota, which resulted in 2 militiamen killed and 14 others injured and was claimed by the Guerrilla National Coordinating Board, "was very serious," and that is why the country "must be aware of these actions that threaten our institutions."

In the last few hours military authorities raided the home of Olga Behar, a television journalist who recently wrote a book on guerrilla activities and the internal peace process in Colombia. President Belisario Betancur personally apologized to the parents of the journalist for the incident and said that he would guarantee a complete investigation of the housebreaking incident. Local journalist's associations have protested the military action, deeming it an infringement of freedom of speech, and have labelled it an attack on journalism.

REBEL GRAVES DISCOVERED; U.S. ENGINEERS KIDNAPPED

PA130117 Bogota Television Service in Spanish 0010 GMT 13 Dec 85

[Text] The discovery of 5 common graves with 33 corpses, reportedly of guerrilla members, has been confirmed. The corpses were found in Tacuyo, Cauca Department, approximately 350 km southwest of Bogota.

The corpses are those of 24 men, 8 women, and 1 boy and were wearing uniforms with the insignia of the subversive Ricardo Franco Front. Javier Delgado, top leader of the group, is reportedly among the dead. Based on a report by an M-19[19 April Movement] member who was captured in (Loma Armarilla) following a clash, Carlos Pizarro Leon Gomez is also among the dead.

In addition, it has been confirmed that two U.S. engineers working for the Occidental Company and another working for the Bechtel Company were kidnapped near a camp in (Intibu), Santander. The U.S. State Department said this afternoon that the kidnappers were demanding $6 million.

M-19 CREATES 'ANDRES ALMARALES MANGA' COMMAND

PA121752 Bogota EL TIEMPO in Spanish 7 Dec 85 p 6 A

[Text] Popayan, 6 Dec -- The 19 April Movement (M-19) has reappeared here and announced the creation of the "Andres Almarales Manga" Command, which will operate in Cauca Department. The subversive cell will work under the "Helmer Marin Marin" Front, said a communique of the seditious organization. Andres Almarales Manga was a founder of the M-19 and one of its main commanders. He was killed leading the attack against the Palace of Justice in Bogota.

"We are fighting for peace and have decided to honor the name of our determined and courageous commander, a loyal representative of the Colombian people's struggles seeking to reestablish the right to life of a people who believe they are being denied their rights," the document adds.

It then refers to the clashes between M-19 guerrillas and the Army in the Siloe neighborhood in Cali, describing these events as "evidence of the presence of a politico-military organization willing to counter genocidial actions with the actions of thousands of fighters for democracy in arms."

TWO ELN FACTIONS REITERATE REJECTION OF TRUCE

PA120409 Madrid EFE in Spanish 0227 GMT 12 Dec 85

[Text] Bucaramanga, 11 Dec (EFE) -- Various factions of the National Liberation Army (ELN) have reasserted that they "will never sign truce agreements with the government." The regional "Diego Cristobal Uribe" faction held a clandestine news conference at a house in this northeastern city and rejected the pact signed by the "Simon Bolivar" and "Antonio Narino" detachments with the Peace Commission on 9 December in the Colombian capital.

According to the "Diego Cristobal Uribe" faction and the "Domingo Lain" and "Camilo Torres" fronts, the attitude of the detachments that agreed to sign the cease-fire represents "revolutionary disloyalty," and warned that they will not heed the call to join the peace process. The "Simon Bolivar" and "Antonio Narino" detachments decided to join the government's agreements with the Revolutionary Armed Forces of Colombia (FARC) that were signed on 28 March 1984 and enforced 2 months later. Ernesto Gonzalez, the "number one" leader of the fronts which agreed to sign the truce, explained that they will joint the FARC's political activities though its political party, the Patriotic Union (UP).

The sector that rejects the signing of the cease-fire pacts operates in a vast region of northeastern Colombia, in Santander del Norte, Santander del Sur, Bolivar, and Antioquia Departments, and mainly in the Aruaca intendancy. During the news conference the rebels also reasserted that the "only way to reach power is with weapons," and refuted the political authority of the Communist Party of Colombia (PCC), which is recognized by the FARC and UP.

PRESIDENT TO VISIT U.S. 12-19 JANUARY

PA130229 Quito Voz de los Andes in Spanish 1130 GMT 12 Dec 85

[Text] Ecuadoran President Leon Febres Cordero will travel to the United States on a state visit 12-19 January. During that time he will meet with U.S. President Reagan and other ranking officials of his administration. Foreign Secretary Edgar Teran Teran revealed details of that tour.

[Begin Teran recording] Political, economic, cultural, bilateral, and multilateral topics will be discussed. Mrs Febres Cordero will be travelling with the president, and she will have a special agenda to include contacts with charities and children's organizations, as well as with others that handle catastrophes, drug trafficking,etc. [end recording]

The foreign secretary indicated that Ecuador may be the first country where the Baker Plan is implemented due to the country's solvent economic situation and its political and social stability.

[Begin recording] [Teran] The initiative seeks to motivate international banks and multilateral credit institutions to move capital, credit, and investments toward the debtor nations. However, each country must plan how the initiative will be implemented and how the credits will be distributed. Ecuador is already working on this. It is therefore quite possible that various aspects of the Baker Plan will also be discussed during the president's visit. The Ecuadoran Government has expressed its willingness to cooperate with the plan, knowing that it will not be the panacea for all of our problems. However, it does constitute a qualitative leap in the U.S. Government's political posture with respect to the Latin American debt problem.

[Unidentified reporter] It has been learned that the U.S. Government has presented a preliminary document for the consideration of five [words indistinct] countries? Have you seen that document?

[Teran] I am not aware that the World Bank, which is one of the organizations through which the plan will be channeled, will present a document during Mr Clausen's visit to Ecuador. Mr Clausen of the World Bank arrived in Ecuador today. However, I am qualified to say that Ecuador is one of the countries that presents the most favorable conditions for the implementation of the Baker Plan, because in Ecuador there is free trade, monetary stability, and good relations between the public and private sectors. These conditions have arisen naturally, as they are the foundations of the Febres Cordero administration's economic policy. [end recording]

FINANCE MINISTER UNPERTURBED BY OPEC DECISION

PA111900 Quito Voz de los Andes in Spanish 1130 GMT 11 Dec 85

[Text] [Begin Swett Morales recording] At this time there is no need to panic, to think that oil will drop to $18, $20, or $15.

This would bring about grave consequences and not just for Ecuador. To a certain extent we are more safeguarded than other countries. [end recording]

This was stated by Finance and Credit Minister Francisco Swett Morales, who added that a drop in the price of crude oil would have serious consequences, not only for Ecuador, but for other countries that depend totally on oil. Nevertheless, the state minister dismissed the importance of international wire dispatches.

[Begin Swett Morales recording] The truth is that we cannot base our best projections on international wire dispatches, capricious comments, or comments of another nature. Our best projections are that oil will continue to fluctuate in price from $23 to $26 throughout 1986. Obviously, there are times during the year when the demand varies, and, consequently, this determines a drop or increase in the price. We are now at a peak season, as you know, and this will probably continue until March. Oil revenues will exceed our estimates during these months, because we have been placing our oil very well at $27 and $27.50 during the past few months. This exceeds our estimate for late 1985, because we had to review our production virtually in the dark during the second 3-month period, and we set the price at $25.

At this time there is no need to panic, to think that the price will drop to $18, $20, or $15. This would bring about grave consequences, anot just for Ecuador. To a certain extent we are more safeguarded than other countries. But certainly there are countries which depend totally on the situation of the price of oil. [end recording]

Minister Francisco Swett Morales affirmed that the international banks also depend on the price of oil and said it is significant that the measure adopted by the Organization of Petroleum Exporting Countries, OPEC, to reduce the price of crude oil to $24.17 per barrel does not affect Ecuador's economy.

BRIEFS

NEW NAVY COMMANDER -- Guayaquiil -- Ecuadoran President Leon Febres Cordero yesterday presided over the change-of-command ceremony at which Admiral Santiago Coral Teran transferred the general command of the Ecuadoran Navy to Rear Admiral Fernando Alfaro Echeverria. The ceremony took place at the Southern Naval Base. [Summary] [Quito Voz de los Andes in Spanish 1230 GMT 30 Nov 85 PA]

BCP PRESIDENT INVOLVED IN FOREIGN EXCHANGE SCAM

PY111224 Paris AFP in Spanish 0715 GMT 10 Dec 85

[Excerpts] Asuncion, 9 Dec (AFP) -- A high-ranking court source told AFP today that the IMF could have intervened in the administration of the Paraguayan treasury if corrective measures had not been taken to correct the scandalous flight of foreign exchange which illicitly enriched influential personalities of Asuncion society. The same source stated that the head of state, General Alfredo Stroessner, personally pressed for the prosecution of culprits in the swindle of millions of dollars that were bought at the official exchange rate and marketed at the black market exchange rate of up to four times their preferred rate. In addition, the source revealed to AFP that Paraguay actually could have paid its entire foreign debt -- some $1.8 billion -- with the amount stolen since 1980.

The Paraguayan Central Bank (BCP) has admitted a flight of foreign exchange not exceeding $34 million. But testimonies and documents have multiplied, exposing wrongdoings concerning an additional $70 million with the participation of at least 140 leagal and illegal firms.

The source also added that there is enough evidence to order preventive custody for BCP President Cesar Romeo Acosta, whose properties are appraised for tax purposes at some $65 million (commercial value estimated at $200 million) while his salary does not exceed $3,000 monthly. The source added that during the investigations, the purchase of several Jaguar and Mercedes Benz automobiles with dollars bought at the official exchange rate in 1982 was discovered. Additional data forwarded to AFP led the source to conclude that had the prosecution of the people involved in financial wrongdoings not been initiated, Paraguay would have been left without monetary reserves within 2 years. To date, the Paraguayan monetary reserve totals some $450 million. In February 1985, it barely exceeded $300 million, that is, the equivalent of the 1984 export value.

With regard to the presumed IMF intervention, the source said that the presence of their main representatives in Paraguay in mid-1985 was for the exclusive purpose of alerting governmental authorities to the dangers posed by what is regarded as a monstrous flight of state-owned dollars.

Legislators Also Involved

PY121641 Paris AFP in Spanish 2054 GMT 10 Dec 85

[By Hugo Ruiz Olazar]

[Text] Asuncion, 10 Dec (AFP) -- A paid advertisement published in yesterday's EL DIARIO newspaper of Asuncion charging that progovernment congressmen and military men are involved in the scandalous foreign currency swindle against the state, unofficially estimated at $1 billion, caused an angry reaction last night in the Chamber of Deputies.

During an emergency session, the governing Colorado Party ordered the Asuncion daily EL DIARIO to identify the author of the paid advertisement and that he demonstrate to Congress the veracity of his charges.

A statement signed by 40 progovernment congressmen rejected the charges as against the dignity of the deputies, of judicial branch magistrates, and the Armed Forces, considering the charges as insidious and distorted.

The fraud was committed by purchasing foreign currency at the official exchange rate. The currency thus bought was then sold on the black market at a rate three or four times higher. The fraud is officially said to have reached $34 million, and about 50 people have been indicted, most of whom are now fugitives from justice.

According to the paid advertisement, signed by a certain Agustin Martin Diez, believed by those accused to be the pseudonym of a well-known progovernment politician, the judges have in their possession a list with the names of officers allegedly involved. The vice president of the Chamber of Deputies and father of Judge Edgard Stanley, who is investigating the fraud, is also included among those charged with obtaining large amounts of foreign exchange at the official exchange rate. Diez stated that he possessed the names of 38 ruling-party deputies who benefited from the preferential exchange rate and he criticized the judges handling the case for not putting the true culprits in the dock.

A highly placed court source today revealed to AFP that the paid advertisement is one of the last recourses for the people involved, who can no longer conceal the evidence because the robbery was so flagrant that it even bypassed normal bureaucratic channels. The source stated that there is a clear intention to dismiss the judges who are handling the case and, at the same time, stir up the Armed Forces against the judicial branch in attempt to upset the prosecution. It is true that some military men profited from the official dollar exchange rate, but we have proven that these dollars were acquired in very small amounts to be used in missions abroad, the source added.

It was learned today from an unofficial source that the Armed Forces and the police forces confined themselves to barracks less than a month ago, carrying out antiriot exercises. This report could not be confirmed. Nevertheless, the report coincided with the exposure of the scandal.

The civilians handling the prosecution feel that it will be very difficult to sue so many people without the cooperation of the Armed Forces, which wield great power and influence in government. However, according to a reliable source queried by AFP, the critical Paraguayan economic situation and the IMF pressures were adecisive reasons to prosecute the culprits.

The source stated that the Societe Generale de Surveillance (SGS), an international organization that is the auditor of the Paraguayan Central Bank (BCP), has repeatedly warned BCP President Cesar Romeo Acosta of the disastrous consequences of the indiscriminate dollar flight. On the other hand, the source recalled that as long as 5 months ago governmental officials were urging Acosta to report the criminal actions. Nevertheless, the charges were not made until the BCP leadership was reorganized after main people involved, among them former BCP manager Augusto Colman Villamayor, fled in October.

In the meantime, spokesmen of the ruling-party lawmakers affected by the revelations in the paid advertisement have stated that no efforts will be spared to find out who is behind the paid advertisement.

ALVA CASTRO ANNOUNCES FOREIGN DEBT RESCHEDULING

PY121400 Paris AFP in Spanish 1752 GMT 11 Dec 85

[Text] Lima, 11 Dec (AFP) -- Economy Minister Luis Alva Castro today confirmed that in September Peru suspended its monthly payments of approximately $30 million to the IMF. However, Alva Castro announced that in January Peru plans to present to its creditors a global arrangement for the refinancing of its debt in which the IMF will be included. Minister Alva Castro made these announcements yesterday during a press conference with foreign correspondents. He said: It is our policy not to pay those who do not give us anything; this is not directed at the IMF alone. The IMF happens to fall in this category and our decision not to pay will be maintained until the debt can be rescheduled.

The minister explained that in August, the first month of President Alan Garcia's social democratic administration, the Central Bank paid the monthly installment to the IMF, due to a lack of coordination and without our knowledge. The minister, who is also head of the cabinet team, stated that the December installment will not be paid, either, which means that there will be some $120 million in arrears. However, in January we plan to present an overall proposal for a long-term rescheduling of our debt, Alva Castro explained in response to a question.

The roll-over that Peru implemented unilaterally, delaying the payment of approximately $1.8 billion owed to the banks, will also fall due in January.

Peru owes nearly $14 billion in all; payments in arrears due on 31 July 1985 amount to $3.159 billion, while those due on the same date in 1986 amount to $2.406 billion. The minister indicated that Peru will propose to refinance this $5.565 million on the basis of 10 percent of the income received from exports in 1986 -- approximately $320 million -- and payments in kind (that is payments withgoods instead of currency) amounting to $150 million.

According to the Peruvian president and the economy minister, Peru's position vis-a-vis the foreign debt has been taken in disregard of the IMF but without actually going to the extreme of breaking off with this organization.

Alva Castro said that Peru's attitude toward the IMF is different from that adopted toward other financial organizations such as the World Bank, the IDB, certain governments and development agencies because, he said, if these organizations keep our lines of credit open, we must certainly pay them back to the extent possible.

The Peruvian Government has rejected any IMF interference in its domestic economic policy on the grounds that this organization had issued recessionary formulas that had placed the economy on the dollar standard and worsened the crisis.

ROMERO CARO SWORN IN AS NEW INDUSTRY MINISTER

PY121214 Lima Television Peruana in Spanish 0100 GMT 12 Dec 85

[Report from Government Palace by Patricia Vaulky]

[Excerpt] The new Industry, Commerce, Tourism, and Integration Minister Manuel Romero Caro was sworn in this afternoon. Romero Caro thus replaces Minister Cesar Atala Nazzal, who will soon assume his new post as Peruvian ambassador to Washington. The ceremony was held in the Government Palace's Golden Hall in the presence of President Alan Garcia and other ministers.

39 DIE IN VIGILANTE-SHINING PATH CLASH

PY121802 Paris AFP in Spanish 1423 GMT 12 Dec 85

[Text] Cusco, 12 Dec (AFP) -- Peasants arriving from Totora district reported here today that some 39 persons were killed -- 35 subversives and 4 vigilantes -- and 20 others wounded in a violent clash between a group of vigilantes and a column of the Shining Path guerrillas in the district of Totora in La Convencion in Cusco Province.

The bloody confrontation, which was confirmed by Cusco's deputy mayor, took place on Sunday and was only learned about when a group of peasants arrived yesterday from the remote zone.

A Shining Path group, which has been active for a few months in the region of Vilcabamba Valley (La Convencion), attacked a village for supplies, but their attack was repelled by the vigilantes and a small number of police, who suffered a heavy toll, the sources reported.

The vigilantes, who identified only the four dead peasants, reported that three others were taken hostage by the Shining Path members who managed to escape.

According to the first reports, 20 wounded Shining Path members are being held by the vigilantes, who will hand them over to the military patrols that are going there.

The seditious groups could be part of a guerrilla column that escaped from Ayacucho and is trying to reorganize in the La Convencion area.

POLICE DETAIN 4 MEMBERS OF KIDNAP RING

PY121328 Lima Panamericana Television Network in Spanish 0300 GMT 12 Dec 85

[Text] We now have a last-minute report. The much-feared ring of kidnappers made up of the Sanchez brothers and others was reportedly intercepted by the police in Tumbes as these criminals were trying to escape from Peru into Ecuador.

Peruvian civilian and investigative police troops confronted the gangsters in a shoot-out and managed to detain four of them, including a woman. The detention of these criminals occurred at approximately 2000 tonight. The detainees were traveling in a Volkswagen car. They are Noncommissioned Officer Filiberto Acosta Bustamante, retired, of the Investigative Police; brothers Hernando and Carlos (Queiroz) Astribillo, and (Maria Martinez Queiroz).

The two Sanchez brothers and another criminal whose surname is Roldan managed to escape in another vehicle. They all had counterfeit documents to enable them to leave the country.

This ring is involved in the kidnapping of (Chervere Scabino), and in the kidnapping and murder of businessman (Alex Munker Pupo).

SEPULVEDA VIEWS SOVEREIGNTY, AREA CONFLICTS

PA120425 Mexico City XHDF Television Network in Spanish 1955 GMT 11 Dec 85

[Text] Bernardo Sepulveda Amor, Mexican foreign relations secretary, told a plenary session of the Mexican Senate today that Mexico is not adrift and that its relations with other countries do not depend on any dictates outside its own sovereignty. Sepulveda affirmed that from his own experience he can say that Mexico has established a solid and vigorous national identity on which Mexican diplomatic relations are based. He acknowledged that the world economic crisis has brought instability to almost all the nations of the world, but he said that the government of President de la Madrid has acted responsibly, thus safeguarding the principles and vital interests of the nation.

Sepulveda also acknowledged that danger, tension, provocations, and destabilizing actions have increased in Central America. He said that the warlike atmosphere and political intolerance have been a constant that has hindered dialogue and diminished hopes for peace. Sepulveda also said that for Mexico, the Central American conflict is not a foreign and distant one. The Mexican Government cares about preventing an armed conflict on its Central American borders. The foreign secretary said that the generalization of the Central American conflict would mean the militarization of the entire region, as well as that of its societies and economies, and that this could become a continental process of social and political destabilization. In this regard, the foreign secretary also said that the Mexican Government is acting to protect the nation, its resources, and its sovereignty in the best possible way, and in keeping with the Constitution.

Regarding the meeting to be held in January between President Miguel de la Madrid and President Ronald Reagan, Sepulveda said that it will encourage the search for lasting and mutually advantageous agreements. Among the topics to be discussed at this meeting, the foreign secretary mentioned bilateral trade, financing for development, the foreign debt, and fishery. During this meeting the presidents will also discuss border ties, maritime delimitation, and the fight against the production, trafficking, and distribution of drugs. Sepulveda affirmed that the interest of the Mexican Government during this meeting with the United States will be to preserve an honorable, mature, and respectful policy that reflects the differences of development and culture of the two countries.

Outlines Foreign Policy

FL121924 Mexico City NOTIMEX in Spanish 0300 GMT 12 Dec 85

[Excerpts] Mexico City, 11 Dec (NOTIMEX) -- Foreign Relations Secretary Bernardo Sepulveda Amor has said that Mexico will not vary its foreign policy and will continue to seek world peace. He said that the foreign debt cannot be separated from the expansion of our foreign trade and that the De la Madrid-Reagan meeting will encourage the search for agreements between the two nations.

The foreign relations secretary said that foreign policy is a main instrument for the defense and promotion of national interests. It reflects, he said, the authentic capacity of the nation and the place the country occupies in the world concert of nations. In evaluating international activities during the 3 years the present government has been in power, he said the activities have been parallel to difficult stages of the world economic crisis, the effects of which have been felt by almost all nations.

Sepulveda spoke of the consolidation and strengthening of relations with Latin America and referred to the importance the southern border has for Mexican national security and for the harmonious development of foreign relations. He said Mexico has strengthened its dialogue with Latin America. The crisis faced by the countries in the area demands immediate answers, structured by a flexible system of consultations, which in politics tends toward mutual support and in economics makes possible the establishment of collective security for development.

Latin America is concerned about a problem which is in danger of getting out of control. He said it is a challenge for the countries' political talent to offer various options instead of standing by death and destruction. He said the solution lies in the unmistakable acknowledgement that the Central American governments are responsible for obtaining their own peace. The success or failure of negotiations which benefit all depends directly on them. However, Sepulveda noted, this does not free them from the inalienable responsibility of avoiding a regional rupture and the violation of a mandatory international law.

He said that Contadora has persisted for 3 years in pursuing essential balances of interests of each country and the collective safety of the nations of the area. The joint efforts of Colombia, Mexico, Panama, and Venezuela are in good faith and are based on political realities and safety needs. Contadora does not intend to be a regional power that imposes conditions by force, he said, adding: It is the expression of a political and negotiated alternative.

The stability of the area cannot be separated from the political will and determination of the Central American countries. He underscored that it is contradictory that as negotiation efforts are firmer and become more consistent, its work is hindered even more with false military actions. Risks have increased, and tension, provocation, and destabilizing actions have also risen.

The climate of confrontation and political intolerance has been constantly present and has made dialogue and possibilities for peace difficult. He stressed that Mexico's mediation actions in the region are not motivated by the need for prestige, because it already has it. The Mexican Government wants to prevent a war on its Central American border.

Referring to relations with the United States, Sepulveda said there are two different social structures in their composition and degree of development. The aim of the Mexican Government is to preserve a worthy, mature, and mutually respectful policy which should be based on constant and constructive communication. The frequency of talks responds to the existing interest in strengthening bilateral communication policies.

The upcoming 3 January meeting between the presidents of Mexico and the United States will stimulate the achievement of lasting and mutually beneficial agreements.

SEPULVEDA DEPARTS FOR MONTEVIDEO, BUENOS AIRES

PA130232 Mexico City XHDF Television Network in Spanish 0100 GMT 13 Dec 85

[Text] Foreign Relations Secretary Bernardo Sepulveda Amor traveled to Montevideo today to participate in the third ministerial meeting of the Cartagena Consensus, which will take place from 16-18 December. Jesus Silva Herzog, the Mexican secretary for finance and public credit, will also attend the meeting.

The recent developments concerning the Latin American economic situation will be analyzed, and the results of the IMF and IDB annual meetings will be evaluated at the Cartagena meeting.

From Montevideo, Foreign Secretary Bernardo Sepulveda will go to Buenos Aires for an 18-19 December visit at the invitation of Argentine Foreign Minister Dante Caputo.

MEXICO, PERU SIGN COOPERATION AGREEMENTS

FL130234 Mexico City NOTIMEX in Spanish 2350 GMT 12 Dec 85

[Text] Mexico City, 12 Dec (NOTIMEX) -- With various agreements on economic, scientific, and technological cooperation, the third joint session of Mexico and Peru, which has been meeting in this capital for the past 3 days, ended today, it was reported by the Mexican Secretariat of Foreign Relations.

The Secretariat said that of the foreign measures related to trade, the understanding between Mexico and Peru to establish a mechanism of compensated trade through which nontraditional trade will be promoted is outstanding.

The two nations agreed to renegotiate soon the partial agreement reached within the framework of the Latin American integration association, with a view to increasing reciprocal trade and constituting a Mexican-Peruvian committee of entrepreneurs. Plans were made to establish a support mechanism to stabilize the international price of silver.

In the field of industrial cooperation, information was exchanged on projects of mutual interest that could be carried out by enterprises of the two countries. The Secretariat said support mechanisms for reciprocal trade and lines of credit established between Mexico and Peru were evaluated. The possibility of the medium-range establishment of a coinvestment fund to support industrial investments was also studied, as was the agreement to restructure Peru's debt to Mexico, and it was agreed to ask the Peruvian Government to carry out the agreement.

With regard to fishing, it was agreed to set up a joint group to determine the establishment of a fish products plant and a program of activities for Mexican fishing products and the corresponding Peruvian ministry. [sentence as received]

Peru will study the possibility of providing Mexico with technical assistance on the use of fish oils for direct human consumption. The two nations have begun negotiations leading to the signing of a maritime convention, and diverse cooperative programs for tourism have been defined.

FRG TO INVEST $350 MILLION IN INDUSTRY

FL122106 Mexico City NOTIMEX in Spanish 1515 GMT 11 Dec 85

[Excerpt] Monterrey, Mexico 11 Dec (NOTIMEX) -- FRG Ambassador to Mexico Heinz Dittman has said his country will invest $350 million in Mexico during the rest of this year and in 1986 in the automotive, pharmaceutical, and electrical industries. He stressed that now is the time to invest in Mexico, despite the economic crisis, since it has the necessary infrastructure for industrial development.

Dittman said the investments will be made in the Mercedes Benz truck manufacturing industry as well as the pharmaceutical and electrical industries.

EL SALVADOR

FMLN-FDR AGREES TO ATTEND UNIVERSITY DIALOGUE

PA122210 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 1900 GMT 12 Dec 85

[Communique issued by the FMLN-FDR dated 12 December -- read by announcer]

[Text] The FDR and the FMLN hereby notify the national and international community of the following:

1. Our fronts have been invited to the University of El Salvador to participate in the Event for Dialogue and Peace being held in San Salvador.

2. We have accepted the invitation as we believe this event is a constructive event with the purpose of creating conditions that will lead to a lasting peace for the people and one in which a plurality of the country's social and political forces participate.

3. Therefore, the FDR-FMLN have appointed a delegation of leaders from both fronts to participate in the event and voice their points of view and proposals on Saturday, 14 December.

4. The attendance of our leaders at an open forum under the present conditions of persecution, repression, and unpunished actions by the death squads forces us to adopt security guarantees. Therefore, we have made many efforts to achieve the minimum conditions for the entry and participation of our delegation, and we will announce within the next few hours the results of such actions.

[Signed] FMLN-FDR, 12 December 1985

Statement on Legal Opposition

PA120403 San Salvador Radio Cadena Sonora in Spanish 1700 GMT 11 Dec 85

[Statement issued by the FMLN-FDR dated 11 December -- read by Eduardo Calles via telephone from Costa Rica]

[Text] This is an FMLN-FDR statement. In El Salvador's current social and political situation, the struggle of the Salvadoran people and its organizations -- be they associations, unions, cooperatives, and peasants, humanitarian, or political and military organizations -- tends to increase. This indicates their willingness and determination to demand their rights and their interests in view of the Duarte government's inability to meet the people's needs.

The Reagan administration has increased its intervention in our country and all of Central America. With this, the warmongering policy of the Salvadoran military and civilians has again become current, shamelessly leaning more and more toward a military solution, and avoiding dialogue and negotiation with our fronts. It is also clear that the Salvadoran Government deteriorates more and more and does not have a clear political stance. This has caused a vacuum of power that the government tries to conceal with clumsy propaganda tricks that perfectly fit the confusion of the counterinsurgency plan that the Reagan administration, the Salvadoran Government, and its Armed Forces have been unsuccessfully executing for several years. The Jose Napoleon Duarte government is a failure, which is expressed through the misinformation and provocation campaign that they have mounted regarding the FDR's alleged determination to become a legal opposition, and an illusory break between the FDR and the FMLN.

For this, all kinds of disagreements between our forces have been fabricated. The move is clear. In response, we state this to the people and the international public:

1. The FMLN-FDR's political objective is to establish a broad participation government able to embody a broad national consensus to overcome all aspects of the crisis and restore peace in El Salvador.

2. At all times, and in this general direction, we have continued to act militarily, politically, diplomatically, and so on in all scenarios and at all possible levels. We have never relinquished and will never relinquish our rights as Salvadorans to formulate, adopt, and disseminate our analyses and stances in order to politically orient our rank and file, who form the majority of the Salvadoran people.

3. We reassert that no democratic conditions for participation, and much less for political normalcy, exist in El Salvador. For this reason, our political presence and participation have continued through fighting and methods that suit this situation. Hence, we do not admit that the current government is neither willing nor able to democratize national life because the people have been waging the current struggle through a generalized political and military effort, overcoming the repression expressed through the state of siege, antidemocratic decrees and laws, and the unpunished actions of the regime's military and paramilitary forces against the people's movement.

4. At the highest leadership in their organizations, the FMLN General Command and the FDR Executive Committee reiterate their willingness and determination to continue leading the people's struggle until we achieve our objective by knowing, defining, and executing, jointly and through coordination, the plans and basic stances that correspond to the various work areas, practicing the principles of consensus and mutual respect to develop the various forms of struggle that guarantee our victory.

5. We of the FMLN-FDR appeal to all national sectors to step up their military and political struggle for their immediate rights and fundamental objectives, and to construct the broadest popular, patriotic, and democratic movement to overcome the interventionist policy and attain victory and peace.

FDR Executive Committee: Guillermo Ungo, Ruben Zamora, and Eduardo Calles

FMLN General Command: Leonel Gonzalez, Ferman Cienfuegos, Joaquin Villalobos, Roberto Roca, and Shafik Handal

11 December 1985

FMLN COMMANDER INTERVIEWED ON RECENT CLASHES

PA122012 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2300 GMT 11 Dec 85

[Interview with Commander Ricardo Gutierrez, chief of the General Staff of the People's Liberation Armed Forces and member of the joint FMLN command in Guazapa, at the Modesto Ramirez Central Front, somewhere in El Salvador on 11 December 1985 -- recorded; questioner not identified]

[Excerpt] Question: We want to ask you about the victorious actions carried out by our guerrilla forces today, 11 December. Is there a general objective the FMLN pursued with these actions?

[Gutierrez] First of all, I want to greet all our people, all our FMLN combatants who participated in today's campaign ordered by our general command, and our companeros of Radio Farabundo Marti and Radio Venceremos.

According to our general command, the operation of today, 11 December, is within the framework of an increase in operations to wear out the High Command's puppet troops in an effort to strike at the leaders of these troops because they are responsible for the prolongation of the war. It is also within the framework of a greater order and unification, not only in the guidelines and the proposals, but in the actions of the FMLN forces. Regarding this, today's campaign reflects the implementation of these guidelines and proposals to move forward in the unity of the FMLN under the leadership of our General Command.

[Reporter] What was the role played by our slogan, a single army and a single party, in today's victorious actions?

[Gutierrez] As I was telling you, in these actions our FMLN is making efforts to realize the idea of a single army and a single party. It is not only a matter of implementing an idea, but of putting into practice basic operational guidelines not only now but in times to come. Regarding this, this slogan of a single army and a single party is becoming realized through the attrition of the puppet Army and the specific coordination existing among all the FMLN forces.

[Reporter] Commander, what can you tell us about the method used in each of these actions?

[Gutierrez] In a meeting held by our General Command in June 1985, we discussed within the framework of the generalization of the war, an adjustment in our strategy of increasing the people's war and the guerrilla warfare. Two basic tactics were applied: The ambushes, which is what all our FMLN forces have been promoting in the past few months; and the implementation of sudden guerrilla attacks which are effective, surprising, and very overwhelming.

Regarding this, on this occasion, our command issued orders for the promotion of sudden attacks on the enemy that were crushing and completely surprising. Our forces adopted a new method for these sudden attacks. We inflicted casualties, seized positions, and recovered materiel and military supplies. In addition, we were very effective, successful, and our forces were able to retreat without any problems.

We dealt harsh blows to the enemy. [Words indistinct] the Air Force which the enemy tried to use to counteract our blows. Through these operations, we have been able to see that this arrogant display was merely a propaganda action that has no effect on preventing the achievement of our objectives, the victories, and the advance of FMLN forces. It seems that the blows are very harsh and the results are specific in the victories obtained early today.

[Reporter] General Bustillos recently told a group of graduates of the flying school to attack us. How do his words look after today's actions? In addition, General Blandon also referred to the success obtained in the deactivation of mines and the new tactics they intend to implement. Is Blandon implicitly admitting the failure of the tactics used so far?

[Gutierrez] [Words indistinct] to increase operations and chase the guerrillas, the FMLN forces, specifically. This obviously shows the use of the Air Force in the face of the resounding failure of all the tactics implemented with their Army ground forces. Their plans for the increased use of the Air Force clearly indicate the puppet Army's weakness and that it will not be able to cope with the guerrilla movement. In addition, it shows their plans for an escalation of the war and to rely more heavily on massive and indiscriminate bombings. All this is within the framework of Duarte's policy to seek a military solution. We could call it a desperate military solution because they believe that they can put our (?front) and our people's revolutionary advance in check through an increase in the number of aircraft and bombings. All they are doing is increasing the intervention of the Americans who are supplying all these means and increasing the massacres and the genocide of civilians due to their bombings.

Regarding what Blandon said about making progress in deactivating minefields, here I could say that one swallow does not a summer make. We activate hundreds of mines throughout our territory every week. Enemy casualties increase on a daily basis due to the revolutionary mines. In this regard, we can say that the mine, by itself, has no great value if it is not accompanied by the creativeness, imagination, and initiative of the guerrilla who places it at the right moment and at the right place so that it can be fully effective. So we urge Army troops (?not to advance) in our territories because we are determined to continue to use revolutionary mines which are our people's just and powerful weapons to achieve liberation.

Further on Guazapa Attack

PA122245 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 12 Dec 85

[Communique No 2 issued by the FMLN General Command on the "Long Live the Combative Struggle of the Workers and the Unity of the FMLN" operation staged on 11 December]

[Text] The FMLN General Command reports the following:

1. Enemy forces of the 1st Infantry Brigade, located in El Roblar high atop Guazapa Hill, were unable to provide reinforcements for the Pena Colorada-El Caballito position, which our forces attacked early this morning, although El Roblar is only 2 km from Pena Colorada.

2. Other enemy forces of Military Detachment No 5 in Cojutepeque that were posted at several points along the San Martin-Suchitoto Highway were also unable to provide reinforcements during the attack and occupation of the base. They were also unable to help the forces under attack at the Pena Colorada position, also known as El Caballito Hill, prior to daybreak.

3. In addition, soldiers from the San Carlos Batallion of the 1st Infantry Brigade, who were patrolling the southern part of Guazapa Hill, were also surprised by the lightning attack and were unable to do anything to prevent it.

4. Together with all of the other successful actions that the FMLN conducted on 11 December in the Modesto Ramirez Central Front, this blow to the puppet Army forces deepens the strategic imbalance of the already demoralized and wornout troops.

5. An airborne operation that began at 0615 and that was conducted nonstop throughout the day on the southern part of Guazapa Hill, the San Martin-Suchitoto Highway, and in the areas of Tenango and [word indistinct] was a largely defensive and ineffective reaction.

Our action has taken a very high toll on the puppet Army, which must make a semblance of strength since our operations have proven that the FMLN is capable of hitting and wearing down mobile battalions, as well as stationary military positions that we set out to destroy.

6. People living in the capital city, in northern San Salvador Department, in central and northern La Libertad Department, and throughout Cuscatlan Department witnessed the flames and explosions that destroyed this enemy position as a result of our attack.

7. Differing from previous occasions, this time the enemy made one attempt to evacuate the injured by making only one landing on the Pena Colorada, El Caballito Hill landing strip. It was obvious that a large percentage of the 70 soldiers hit by our gunfire were killed.

As a final note, we believe that these actions were made possible thanks to the development of the unified historical vanguard of the Salvadoran people, the FMLN, which clearly demonstrates who is winning the war.

SAN VICENTE COFFEE PLANT DESTROYED; 18 KILLED

PA122344 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 1830 GMT 12 Dec 85

[Text] At 0100 today, 12 December, FMLN units attacked an enemy position at the Acahuapa coffee processing plant in San Vicente Department. All of the coffee processing plant's machinery was destroyed. In addition to this, we attacked the Duarte Army troops that were guarding this processing plant, which belongs to the oligarchs, the rich landowners. We inflicted 18 casualties on the troops of the 5th Infantry Brigade. In this action we recovered an M-60 machinegun, two M-16 rifles with their accessories, and 2,000 bullet clips ranging between 5.56 and 7.62 calibers.

'SANTA ANA PROTECTION ARMY' ISSUES COMMUNIQUE

PA121420 San Salvador EL MUNDO in Spanish 10 Dec 85 p 3

[Text] The body of a young man, about 20, dark skinned, and who had been strangled to death and tortured, bore a stamp that read "directorate." A stone had been placed in his mouth and another on one of his arms. The body was discovered yesterday and examined by a magistrate in Santa Ana.

Meanwhile, the so-called Santa Ana Protection Army [Ejercito Protector the Santa Ana] EPSA, warned criminals and magistrates in a communique sent to the news media that they "will continue to administer justice by executing those who break the law." The organization members also indicated that, while the security organizations capture thieves, the magistrates release them. Here is the EPSA communique.

1. This organization has been created due to the inability, negligence, and possible corruption of the authorities charged with enforcing law against these criminals.

2. We form a group of people who want to administer justice by eliminating these thieves who have become a threat against honest people. These thieves have also become undesirables.

3. We warn that we will continue to administer justice. As proof of this, three thieves who operated in Santa Ana were executed on 5 December. We left their bodies at La Arenera, in Candelaria, on the border.

4. We also want to warn the magistrates charged with enforcing law against these criminals that this organization has learned that this wave of crimes has increased because when the security agencies detain thieves and send them to the magistrates, the thieves are easily released regardless of the harm caused to honest people. Therefore, gentlemen magistrates, we want to warn you that if you do not enforce the law, our justice will also fall on you. The communique is dated 7 December and has been signed by the EPSA.

In addition, the Santa Ana residents have expressed concern over these crimes and (?recall) the so-called death squads that appeared several years ago on the pretext of winning sympathy by eliminating thieves and then, under this guise, killing a large number of Salvadorans, according to some people who were questioned on the matter.

CORRECTION TO FMLN ON STATUS OF GOVERNMENT

The following correction pertains to the item headlined "FMLN Reiterates 'illegal' Status of Government," published in the 12 December Latin America DAILY REPORT on page P 4:

Make subslug read: [Special feature: "What is the FMLN's Dialogue Proposal? /part 5]

Paragraph one, line one, make read: [Text] Fifth principle: The government is... (supplying omitted words)

GUATEMALA

MEJIA REACTS TO CEREZO STATEMENTS ON PLANS

PA121504 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 11 Dec 85

[Excerpts] The disagreements between the outgoing military regime and the recently elected civilian administration surfaced today in connection with the president-elect's plans to reorganize the interinstitutional coordinating boards and the model villages and to impose new taxes. Less than 24 hours after President-elect Vinicio Cerezo Arevalo issued a statement regarding taxes, Head of State Oscar Mejia Victores stated that the Christian Democratic leader might change his plans after analyzing the economic and financial data that the current government will pass on to him. The plan outlined by Cerezo Arevalo yesterday is the first large-scale tax plan to see the light since a tax package implemented by the Mejia Victores administration in April had to be repealed the same week it was made effective amid a situation that shook the foundations of the regime and ended with the removal of the until then invulnerable Finance Minister Leonardo Figueroa Villate. Last April's popular uprising will not repeat itself because an elected government will adopt the tax reform, Cerezo Arevalo insinuated when he discussed the issue yesterday. Today Head of State Mejia Victores described Cerezo's statements as points of view that can change.

[Begin Mejia Victores recording] I believe that those initial statements he is making will have to be ratified after he examines the issues with his economic team and becomes familiar with the country's economic situation. I believe the statement was presumptuous. It may have been a natural consequence of how the question was asked. However, he will possibly change after he becomes familiar with the system as it stands now, [end recording]

Yesterday Cerezo Arevalo announced his intention to adopt what he called a civilian focus with regard to the model villages, the interinstitutional coordinating boards, and the civil self defense patrols.

The Christian Democratic leader's opinions on these topics could be subject to discussion, as today's statements by Mejia Victores seem to indicate.

[Begin Mejia Victores recording] I presume he has not examined this or become familiar with the system or situation. I believe we will have to brief him on all of this and the why's. If this has worked well for 2 years, I believe it can continue to work and improve, making certain changes in its orientation, from military to civilian. That is logical. We had thought of that. We thought that the interinstitutional coordinating boards could be headed by the government of each department instead of by the military commander in that area. [end recording]

[words indistinct] during the news conference held by the president-elect was echoed today during the head of state's news conference with members of the local and international press. A conspicuously touchy statement was one on the reported existence of clandestine prisons.

[Begin Mejia Victores recording] He can go look for them right away. We give him full freedom to do this because we do not have clandestine prisons. If we authorize him to do this you can go also. Everyone who wants to go may go see for himself whether or not there are any clandestine prison in the military garrisons. [end recording]

Cerezo and Mejia agreed, however, on the need to preserve constitutional order and the need that the Army restrict its actions to the functions the law assigns to it.

[Begin recording] [Mejia Victores] We hope the Army will never again have to participate in rescue efforts when there are problems in the government, with the people, or in the Republic or Guatemala. We have fulfilled a mission and will continue to do so.

[(Bourchet)] General: Jean Pierre (Bourchet) of AFP. The president elect has said he will reform the Surpeme Court so that it can deal with cases of families whose relatives are missing. Is the Armed Forces willing to allow its members to be put on trial?

[Mejia Victores] We are willing to accept anything that is done within the law and is legal. We have never placed and we will never place any obstacle. The president of the Republic has the authority to administer the government and therefore the executive can reorganize public offices without problems. [end recording]

The chief of state also answered a question on the council of commanders, and military body that on 8 August 1983 overthrew General Efrain Rios Montt and replaced him with Mejia Victories.

[Begin Mejia Victores recording] This is a very normal affair in a military government. We created it with the intention of having military control throughout the country. This action helped us a lot. We believe that under a civilian government, this council will function as a representative council for the coordination that should exist among commanders and their military units. All the zone commanders automatically become military units. All the zone commanders automatically become subordinates of this council which can then organize the military the best way possible. [end recording]

SECRET ANTICOMMUNIST ARMY REEMERGENCE VIEWED

PA111954 Guatemala City El GRAFICO in Spanish 10 Dec 85 p 2

[Text] The self-styled "Secret Anticommunist Army," ESA, which executed several alleged communist during the tenure of General Fernando Romeo Lucas who was toppled in the 23 March 1982 coup d'etat, has reappeared now that the transition to constitutionality is about to be finalized.

The acronym of that organization was painted with "spray" [preceding word in English] paint at several points in the metropolitan area, including the central area, and specifically in areas 12, 18, 11, and others. The propagandistic reappearance of the organization was also denounced by the Mutual Support Group, GAM, that is trying to determine the whereabouts of kidnapped and missing people. "ESA" executed labor and student leaders especially from Guatemala's San Carlos University as well as from several secondary schools.

HONDURAS

AZCONA SAYS MONTOYA STATEMENTS 'TWISTED'

PA120326 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 11 Dec 85

[Text] Carlos Orbin Montoya had to send the cassette on which his statements were recorded to Engineer Jose Azcona del Hoyo to prove that he said nothing against the Honduran Armed Forces. Azcona del Hoyo was deeply concerned over the statements issued by Carlos Orbin Montoya in which he accused the president of the Republic and a group of top-level Honduran Armed Forces officials of boycotting Engineer Jose Azcona del Hoyo's appointment to the presidency. Nevertheless, Azcona's concern ended when he heard the recording sent by Carlos Montoya to prove that he had not accused any military officer. The Honduran president-elect said that Montoya's statements were twisted by the news media with the intention of creating problems for Deputy Montoya.

In addition, president-elect Jose Azcona del Hoyo complained that too many people look for him; he said that sometimes he must spend 12 hours talking with the people, but this must end because he must dedicate his time to planning his work as the new president. A report by journalist David Romero follows:

[Begin recording] [Azcona -- in progress] ...that the Liberal Party of Honduras (PLH) had more votes than the National Party of Honduras (PNH), and I think that the National Congress' presidency should be given to a PLH member. However, I am not manipulating, maneuvering, or interfering in the creation of the National Congress' new directorate.

[Romero] Engineer, our country's justice system has been twisted. What measures will you adopt to eliminate this wrongful enforcement of justice in our country?

[Azcona] I guarantee that the executive branch will not interfere in the enforcement of justice. That is what I can promise because you must be aware that the Supreme Court of Justice is in charge of organizing our entire legal system and is appointed by the National Congress. I have already told you that I will not manipulate the National Congress. If I may state my hopes, I would like to see the Supreme Court of Justice comprised of the best lawyers in the country, honest and capable men. You may rest assured that the executive branch will never interfere or twist the just enforcement of justice in Honduras.

[Romero] Engineer, in your opinion why have certain sectors of the People's Liberal Alliance [ALIPO] recently become so estranged?

[Azcona] No, they have not become estranged. Mr Jorge Bueso Arias has issued some statements and he may be right, because there has not been much communication with the ALIPO members following the elections. The truth is that I have not maintained communications with any group. I have remained here, alone, meeting with people who come to see me. I think that I will have to stop this because I spend 10-12 hours per day meeting with people; the people feel hurt if they are not admitted. However, we must definitely stop this so that we may begin working on other things next week.

[Romero] Another question, Engineer, for Radio America. Carlos Orbin Montoya's statements have definitely created a controversy at the national level. Do you support Carlos Orbin Montoya's statements or do you think he did this on a personal basis?

[Azcona] Look, as far as I know, Carlos Orbin Montoya's statements were twisted; he did not mention the Honduran Armed Forces. I was extremely worried when I read the report in the newspaper and I immediately contacted him. He said he did not mention the Honduran Armed Forces when he issued his statements. Yesterday, he sent me the cassette on which he recorded his statements and I learned that he did not mention the Honduran Armed Forces. I think that the statements were intentionally twisted to discredit Deputy Carlos Orbin Montoya. I do not think, and I cannot really support...[changes thought] If he had said what was reported in the newspaper, I would completely disagree with his statements, above all the aprt referring to the Honduran Armed Forces. [end recording.

STRIKE AT STANDARD FRUIT COMPANY CONTINUES

PA102158 Tegucigalpa Televisora Hondurena in Spanish 1145 GMT 10 Dec 85

[Text] Officials of the Honduran Secretariat of Labor and Social Welfare have returned to Tegucigalpa because they were unable to influence the parties involved in the La Ceiba labor conflict at the Standard Fruit Company. Last weekend Under Secretary Alonso Lopez, and Major Hector Lara Rivera traveled to the area. However, they were forced to return upon learning that to date the parties involved have adopted inflexible stances. The major said that losses caused by the work stoppage at the Standard Fruit company in La Ceiba totals millions of lempiras per day. However, the Secretariat of Labor and Social Welfare will investigate the figures reported by executives of the transnational company in order to determine their accuracy. He said that the officials told the labor leaders and the company's executive that once they decide to reach an agreement, they will meet with them to act as mediators.

Amado H. Nunez, labor and social welfare secretary, does not feel that the strike will soon end. He said that the strike was just beginning and that he did not see any progress. Meanwhile, here is a direct report from La Ceiba:

[Begin unidentified reporter's recording] Just as the government officials have declared themselves unable to mediate in the conflict unless the two sides decide to negotiate, friction between the labor union and the Standard Fruit Company appears on the increase, thus, moving farther away from easing tensions.

Yesterday, it was learned that nine northern labor unions, which represent 10,000 members, have confirmed their support for the strike declared by Sutrasfco [Unified Trade Union of the Standard Fruit Company Workers] on Friday. This is how the labor union, a subsidiary of [word indistinct] is reacting to the dismissal of 105 workers. However, the strike does not seem to be gaining momentum because the Standard Fruit Company is pressuring the workers, according to strike committee president Carlos Alvarado.

The labor union charged that the company has hired gunmen on the banana plantations to frighten those workers who have not yet decided to support the strike. In Coyoles, where most of the workers are, there were only 3,000 workers as of yesterday. A labor leader from the area said that the following farms were paralyzed: Naranjo A, Palo Verde A and B, Rosario A, Rojas A and B, Limones A and B, and [word indistinct]. The leader added that Coyoles Garrison officers were placed on the banana plantations in order to (?sway the workers into) going on a general strike. Sutrasfco is charging that the transnational company has been systematically firing workers to make the union disappear and then hiring under contract in order not to have any labor commitments with the workers.

To date, the government's attempts to end the strike have failed. Alonso Lopez, under secretary of labor and social welfare, and Major Hector Lara Rivera travelled to La Ceiba but had to come home empty-handed. Local observers concur that the stances adopted by each party seem irreconcilable and that at present there is no chance of reaching a short-term solution. [end recording]

NICARAGUA

ORTEGA INTERVIEWED ON CONTADORA, U.S. 'INVASION'

PA121701 Managua Domestic Service in Spanish 1526 GMT 12 Dec 85

[Interview with President Daniel Ortega by unidentified reporters in Managua on 12 December -- recorded. First paragraph announcer-read introduction.]

[Text] After attending the inaugural function of the national circus with Vice President Sergio Ramirez, companero President Daniel Ortega spoke on different topics. He essentially spoke about Contadora, the United Nations, and the regional situation. In reply to a question, he said that if the United States decided to intervene, it will do so with or without Contadora. Here are President Ortega's remarks from last night:

[Reporter] [Words indistinct] for Nicaragua the suspension of Contadora for 5 months?

[Ortega] We agree with the negotiations process. We continue to support the negotiations process. However, we believe that the negotiations cannot advance as long as the U.S. Government's military escalation exists. Therefore, it is not a matter of freezing the activity of Contadora. We have clearly stated that suspending the negotiations does not mean freezing the activity of Contadora. Instead, it means that in the meantime Contadora will be involved in addressing the problem of the tension in Central America as a result of the U.S. military escalation. In other words, it will be working to get the United States to halt that escalation and to reach an understanding with Nicaragua; then favorable conditions will exist for progress in the negotiations. Therefore, it is not a matter of freezing all Contadora activity.

[Reporter] Might there be a U.S. invasion?

[Ortega] If the United States has decided to invade...[changes thought] and we see that the decision has been made because the United States wants to destroy the Nicaraguan revolution and it has not ruled out an invation.

When will it implement that decision? Well, I think that with or without Contadora, if the United States is determined to invade Nicaragua, it will do so. The Nicaraguan people's opposition and resistance are what will defeat that invasion. Of course, in the United States there is no support for that invasion policy due to the expense that it would entail and because U.S. soldiers would begin to die here in our country.

At this time, the U.S. Government has wanted to win this war against Nicaragua by sending mercenaries to die and by killing the Nicaraguan people through the mercenaries. It has not wanted to directly involve its troops. We believe that even if it sends its troops, it will not be successful. Instead, it will bring U.S. youths to die on Central American soil. No solution will be found by that path. Therefore, we insist that negotiations and dialogue between the United States and Nicaragua are necessary so that we can normalize relations, so that we can establish a framework of mutual security, and so that conditions can then exist for Contadora to continue its negotiation efforts. In the meantime, Contadora must undertake extraordinary efforts with the United States so that it will not carry out an escalation and so that it will not advance in its plans to directly intervene with its troops. Latin America can do something. Contadora can do something. Latin America and Contadora must do something in this regard.

[Reporter] Mr Abrams accuses Nicaragua of having requested the suspension of the Contadora negotiations. Was Nicaragua the first country to propose this to Contadora?

[Ortega] Well, the first country to propose this in Luxembourg was Costa Rica. In addition there are very specific elements involved. There is an election process underway in Central America. Guatemala and Honduras have just held their elections. Costa Rica will also be holding them. It will not be until May that the new governments that win these elections in Central America will be in office. Therefore, Costa Rica's proposal has the objective of having the agreements supported by the new governments rather than the governments whose terms are about to end. Of course, we view that argument as valid. However, we believe that the most important thing is that there is a U.S. military escalation and that it is carrying out aggressive military plans against Nicaragua. The danger of a direct intervention by the U.S. troops is increasing every day. Therefore, we cannot have any illusions about negotiations if that reality of war is affecting the region. We believe that what Contadora should say is: Let us suspend the negotiations on the peace document, let us halt this war, let us halt this military escalation, let us not have an invasion, let us achieve an agreement between the United States and Nicaragua to stop the U.S. aggression against Nicaragua, and then under those conditions, we can continue the negotiations process.

[Reporter] After the speech by Companero Tinoco [deputy foreign minister] at the United Nations and after the reply by Mr Vernon Walters, what does Nicaragua expect from the international community?

[Ortega] Well, we hope that the international community will continue to condemn this action and above all that it will ask the United States to stop this escalation that, as we have said, is equivalent to the mining of our harbors. They are now mining our country's sky.

[Reporter] Was the publication of the pope's letter really prohibited as the AP news agency reported?

[Ortega] No, as you know it was published in the newspaper LA PRENSA. Therefore, it has not been prohibited [words indistinct].

NATIONAL ASSEMBLY STATEMENT ON U.S. AGGRESSION

PA130222 Managua BARRICADA in Spanish 10 Dec 85 p 12

["Statement by the National Assembly of the Republic of Nicaragua" issued at its Hall of Sessions on 9 December 1985]

[Text] The National Assembly of the Republic of Nicaragua denounces the serious escalation of the mercenary war of aggression which the U.S. Government has imposed on Nicaragua.

The revolution, which is the work of the people carved with struggle and blood for 6 years, has worked toward its own consolidation. Because of its very revolutionary nature, the movement broke the pattern of imperialist dominance in Central America and the current U.S. Administration seeks to destroy it. While the Nicaraguan people work hard at harvesting agricultural products for export -- coffee, sugar, and cotton -- the first stage of national consultations in the process of drafting a constitution has been completed, and the people are getting ready to participate in open forums (popular consultation) to express their opinions on the contents of the new constitution, the U.S. Government steps up its immoral, unjust, and illegal struggle against our people.

On 2 December, a Sandinist Air Force MI-8 helicopter was shot down by a SAM-7 missile fired by mercenary forces in the service of the United States. On 5 December, during a hearing with the U.S. House of Representatives Subcommittee for Hemispheric Affairs, U.S. Assistant Secretary of State Elliot T. Abrams admitted that the MI-8 helicopter was shot down by a SAM-7 missile. A similar comment was expressed by U.S. Secretary of State George Shultz.

The facts mentioned are serious. For the first time SAM-7 missiles have been delivered to terrorists. According to the mercenaries themselves, dozens of these missiles have been delivered to them by the U.S. Government.

In addition, the U.S. Government stance has seriously harmed the Contadora Group's peace efforts. On 7 December, the Colombian foreign minister publicly announced the freezing of the Contadora process, taking into consideration the proposal presented by Costa Rica and supported by Nicaragua.

The U.S. Governemnt's irresponsible stance escalates the Central American conflict to hitherto unknown levels and seriously endangers civilian aircraft in the area because these aircraft can fall victim to the criminal actions of these groups at any time. This new factor is preceded by recent aggressive measures, such as the U.S. Congress' approval of a bill that authorizes the delivery of helicopters, aircraft, speed boats, and other war materiel to the counterrevolutionary forces.

The announcement of new military exercises in Honduras and Shultz' statements, which were published by THE LOS ANGELES TIMES ON 3 December, that the United States will support the mercenaries for an indefinite time even if the Central American countries sign the Contadora document confirms President Ronald Reagan's boycott of the peace efforts in the region.

All this indicates the U.S. Government's systematic violation of the most fundamental norms of international law and clearly confirms this government's policy of threats, intimidation, and blackmail, and its refusal to respect the universal principles that make law and reason prevail over force.

1. The Nicaraguan National Assembly most vigorously condemns the escalation of aggression by the U.S. Government.

2. The Assembly denounces this new escalation before the international community, precisely at a time when the Contadora Group has concentrated its efforts on attaining feasible accords for peace in Central America.

3. The National Assembly demands the immediate suspension of this policy of aggression that, in addition to hampering the Contadora process, can have disastrous effects in Central America.

4. The National Assembly reaffirms the selection of the revolution's democratic institutionalization process as a peaceful one based on the national majorities consensus and joint efforts. This consensus has been hampered by these aggressive actions.

5. The National Assembly appeals to the political forces and the Nicaraguan people at large to form a great anti-interventionist front to expand and strengthen the nation's grounds for the rejection of the U.S. aggression, as well as the activities to foster and step up the revolution's democratic institutionalization process.

Finally, the National Assembly, representative of the Nicaraguan people, urges all parliaments and parliamentarian organizations to do the following:

1. To demand that the U.S. Government correct its current policy in Central America and abide by international norms and the UN Charter because the United States undermines international law principles, such as nonintervention, the free self-determination of the peoples, the legal equality of the states, and respect for their territorial integrity.

2. To demand that the U.S. Government stop sending sophisticated weapons into the region, particularly Nicaragua, thus supporting the peace process in Central America with specific actions.

3. To disseminate and support, throughout the world, the contents of the statements made during the third conference of presidents of Spanish-speaking democratic parliaments held in Mexico City on 5 and 6 December.

The National Assembly's Foreign Committee will be in charge of completing all of these tasks and any others that might be necessary in order to make other countries' parliaments, the Latin American parliament, and the Interparliamentary Union aware of the seriousness of the crisis.

Given at the National Assembly's Hall of Sessions of the Republic of Nicaragua on 9 December 1985.

D'ESCOTO INTERVIEWED ON NATIONAL SITUATION

OW111429 Tokyo NHK Television Network in Japanese 1200 GMT 11 Dec 85

[Interview with Foreign Minister Miguel D'Escoto Brockman by NHK newscaster Taro Kimura, with D'Escoto sitting in a Narita Airport waiting room and Kimura in the NHK studio -- recorded during d'Escoto's stopover "for several hours" at the airport on 11 December on his way back from a visit to China; interview conducted in English with Japanese subtitles; the following is from the English version]

[Text] [Kimura] For us it seems that your relationship with the United States is tense again after the shooting down of your helicipter by the Contras. How serious, in your view, was the incident?

[D'Escoto] Well, I think it is very, very serious, especially when you consider the fact that this is the first time ever in the history of Latin America that any regional group is also able to come by these sophisticated surface-to-air missiles. This signifies a veritable escalation in the war, and it is hard to say who they could use those SAM-7's against next and increment the tension in the area. I think it is very very serious because the United States has now come to the conclusion that the Contras -- the so-called Contras, the mercenary forces that they are financing and directing to overthrow our government -- are militarily incapable of accomplishing the objective. And, therefore, they are looking for ways to implement, but the only thing that they really have not done is to commit their own troops to Nicaragua. So that is the danger that remains there.

[Kimura] But, Foreign Minister, Don't you think you were too provocative having Cuban pilots on board and let them participate in the war?

[D'Escoto] I do not think anyone can be accused of being provocative when you are doing things that are totally within the prerogatives of sovereign countries to do.

[Kimura] Mr Reagan tried to persuade Mr Gorbachev at the summit to hands off [as heard] from Nicaragua. Obviously he did not succeed, but in other ways isn't it....

[D'Escoto, interrupting] Let me interrupt you if I may, please, because I do not know what it means -- hands off Nicaragua. No one has its hands in Nicaragua except Nicaraguans, and the United States is trying to put its hands into Nicaragua. So, I do not know what it means for Mr Reagan -- if it is true that he told Mr Gorbachev to have hands off Nicaragua -- I do not know what that means, because Nicaragua is not intervened by anyone. It has in the past been intervened by the United States....

[Kimura, interrupting] But you do not deny that you are having full support from Cuba and Soviet Russia.

[D'Escoto] We have that from many other countries as well. In other words, we have international relations, very multifaceted relations, with a variety of countries. That does not mean...[changes thought] and this is fully within the exercise of our legitimate prerogative as a sovereign nation to establish diversified relations. But to say hands off Nicaragua -- what does that mean?

[Kimura] You spoke of the future of Nicaragua. What is the future of Nicaragua? Will it be like a second Cuba, or some different type of a nation?

[D'Escoto] The future of Nicaragua, it is the consolidation of what we have today; for the first time, a truly democratic, a truly pluralistic, truly independent, and truly sovereign Nicaragua; something that we could never have done, accomplished, before, because we were totally under the domination of the United States. And therefore, we were under one of the most hideous dictatorships in the history of Latin America, and it is only when we got rid of that American-imposed totalitarian, dynastic, oppressive regime that we have been able to embark on the creation of what will be the future of Nicaragua.

[Kimura] Is Cuba one of the models of the future?

[D'Escoto] We do not have models, we do not have models. It is not Cuba, and it is not Japan.

[Kimura] I see. You spoke of diversification of your support.

[D'Escoto] Yes.

[Kimura] Your trip to China this time, was your aim to diversify your support among the socialist nations?

[D'Escoto] Yes, it is always in this [word indistinct] of diversifying, deepening, and strengthening our relationships with the international community in a diversified manner.

[Kimura] Well, thank you very much, Mr Foreign Minister.

[D'Escoto] Thank you. It has been good to be with you again.

[Kimura] Thank you very much.

ARRESTS FOR BOMB BLAST AT PROCESSION REPORTED

PA102023 Managua Domestic Service in Spanish 0300 GMT 10 Dec 85

[Text] Thirteen [as heard] people have been arrested in the wake of investigations being conducted by the Sandinist committee and authorities of the Interior Ministry in the city of Rivas to determine who was guilty of throwing a bomb during a religious procession. In the wake of such an abominable incident, more than a dozen people, mostly children, were injured by fragments of the contact bomb.

This afternoon the Interior Ministry issued an official communique, which we will read immediately.

[Begin unidentified person recording] The Interior Ministry has captured 13 people presumably implicated in the explosion of a contact bomb which wounded people who were participating in a procession of the Immaculate Conception on 3 December in the city of Rivas. According to the official investigations, those arrested were following instructions by a counterrevolutionary organization that operates from Honduras to stage terrorist attacks against the parishioners who attended the religious acts of the Immaculate Conception. The terrorists' principal actions included the placing of contact bombs in the floats of the Immaculate Conception. This occurred in the float made by Gaspar Garcia Laviana in front of the San Pedro Cathedral.

Those arrested in connection with the investigations are: Danilo Rodriguez Solis, Rafael Rodriguez Solis, Rosario Rodriguez Solis, these three brothers; Jose Vicente Suazo Muniz, Coralia del Carmen Lopez Martinez, Reynaldo Fortunato Ruiz, Angel Vincent Tijerino, Jose Alberto Forero Alegria, Joaquin Mendoza Jr., Ramon Rodriguez Navarro, and Wilfredo Fuentes Quiros. [end recording]

INFORMATION MINISTER ON OFFICIAL VISIT TO IRAN

For reportage on the visit by Manuel Espinoza, minister of information and press, and his accompanying delegation to Iran as well as Espinoza's meeting with Iranian Prime Minister Mir Hoseyn Musavi, please see the Iran section of the 11 December South Asia DAILY REPORT and subsequent issues.

UN AMBASSADOR DENIES TROOPS' PRESENCE IN NICARAGUA

FL121533 Havana Radio Progreso Network in Spanish 1200 GMT 12 Dec 85

[Station commentary]

[Text] Cuban Ambassador to the UN Oscar Oramas Oliva has addressed the Security Council to deny U.S. allegations about the presence of Cuban troops in Nicaragua. Cuban Ambassador Oscar Oramas accused U.S. assistant secretary of state Elliot Abrams of quoting false figures on the number of Cuban advisers in Nicaraguan Territory and said it is very evident that this smoke screen is aimed at justifying new U.S. aid to the criminal contras.

Oramas Oliva referred to the supply of surface-to-air missiles to counterrevolutionary groups as part of the U.S. aid and underscored that Nicaraguan airspace was not only violated, but this causes an escalation of violence in Central America. The Cuban diplomat added that the supply of those weapons to counterrevolutionaries violates the UN Charter and creates the danger of their being used more frequently by mercenary groups. He also said the U.S. position is hypocritical, because it says it opposes terrorism while Secretary of State George Shultz hails the use of rockets and favors contra actions.

Furthermore, the international community should not disregard the seriousness of these facts and the dangers of the U.S. Government's criminal and irresponsible actions and remarks, Oramas asserted. He called on the Security Council to guard the preservation of peace and international security by halting actions like the ones being carried out against Nicaragua and noted that it is essential that aid supplies to the contras be stopped and the Nicaraguan people's interests and aspirations be respected in order to have peace.

CUBAN DIPLOMATS ACCUSED OF KIDNAPPING ATTEMPT

PA131347 Madrid EFE in Spanish 1315 GMT 13 Dec 85

[Excerpts] Madrid, 13 Dec (EFE) -- Angel Alberto Leon Cervantes, vice consul of the Cuban Embassy in Madrid, and personnel of that diplomatic mission are would-be kidnappers in the attempted kidnapping of Manuel Antonio Sanchez Perez, a Cuban exile in Madrid. Police sources report that two embassy administrative personnel and an assistant professor were also involved in the attempted kidnapping, and all are under arrest. The police seized from the kidnappers a 9-mm handgun and a .38-caliber pistol. One of these weapons was seized from the vice consul, according to the same sources.

Sanchez Perez, who is in Spain as a political exile and who has a temporary identification card, was approached by four Cubans, one armed with a gun, as he was leaving a bank in the downtown sector of Madrid. Eyewitnesses told EFE that the Cuban exile told them that he had important documents in his briefcase. According to witnesses, the three kidnappers, posing as policemen and wielding their guns, tried to get Manuel Antonio Sanchez Perez to enter a vehicle driven by a fourth man.

The same source said: "They managed to get the man inside the vehicle," but persons in the area prevented the vehicle from driving off when he shouted for help. A taxi driver stopped the kidnappers from escaping.

Two service personnel of the "Cuspide" building, which also houses the Belgian Embassy and several bank installations of Chicago and France, helped the kidnapping victim escape from his captors and took him inside the building.

USSR'S PONOMAREV RECEIVES AMBASSADOR SOTO

FL122208 Havana Radio Reloj Network in Spanish 1915 GMT 12 Dec 85

[Text] Boris Ponomarev, alternate member of the Politburo and secretary of the Central Committee of the CPSU, today received Lionel Soto, member of the Secretariat of the Central Committee of our party and Cuban ambassador to the USSR.

During the fraternal meeting various aspects of the international situation were discussed, especially action being taken worldwide in defense of peace and to stop the arms race.

Ponomarev and Lionel Soto also discussed the celebration of the coming party congresses of the PCC and of the CPSU.

SOVIET OIL INDUSTRY COOPERATION ACKNOWLEDGED

FL121708 Havana Tele-Rebelde Network in Spanish 1200 GMT 12 Dec 85

Today, the Rene Ramos Latour Medal was bestowed on Vladimir Sedenko, president of the Petroleum and Gas Workers Labor Union of the Soviet Union. This high decoration was conferred because of the USSR's valuable cooperation in the development of oil industry in Cuba.

Later, in a press conference, the Soviet labor leader underscored the increased aid planned for the next 5-year period, during which 2 million metric tons of oil will be produced. He also reported on a fraternal competition between an oil drilling and extraction enterprise from western Cuba and a similar one from the Soviet Union. He said that many Cuban technicians will be trained in the USSR in gas and oil specialties in the next few years.

NEW URUGUAYAN AMBASSADOR TO ARRIVE IN JANUARY

FL112028 Havana Radio Periodico del Aire in Spanish 1700 GMT 11 Dec 85

[Summary] The Uruguayan Senate has approved the appointment of Navy Captain Bernardo Pinura, retired, as ambassador to Cuba. The new ambassador told PRELA today that he will not leave for Havana until January. The Uruguayan newspapers also announced tomorrow's arrival in Montevideo of the new Cuban ambassador to Uruguay, Joaquin Maas.

By appointing ambassadors, Cuba and Uruguay have renewed diplomatic relations which had been interrupted for 21 years. The renewal of relations was announced on 17 October.

GRENADA

BLAIZE REPORTS AID RECEIVED THROUGH SOUTH KOREA

FL122314 Kingston Domestic Service in English 2230 GMT 12 Dec 85

[Text] Grenada's Prime Minister Herbert Blaize says his country has started to reap good benefits from the shipment ties with communist North Korea to South Korea. Prime Minister Blaize said that since setting up a (?united) link to the south Grenada has received five dump trucks and motorcycles and U.S. $100,000 in cash.

Prime Minister Blaize made the disclosures in an address in St Georges. Meanwhile, Agriculture Minister George Brizan said South Korea had offered to build a complex to house government offices in Grenada.

Links were set up with communist North Korea by the former PRG [People's Revolutionary Government] of late prime minister Maurice Bishop.

LOCAL GOVERNMENT ELECTIONS PLANNED FOR 1986

FL122324 Bridgetown CANA in English 2232 GMT 12 Dec 85

[Text] St Georges, Grenada, Dec 12, CANA -- Grenada will go to the polls in mid-1986 to elect its first local government administration in 18 years, Prime Minister Herbert Blaize said. In a broadcast on state-owned Radio Grenada, Blaize said the cabinet had already approved a paper submitted by the ministry of local government on the system to be implemented.

Last August, the government said the new framework would involve six district boards on Grenada, a council for the two sister islands of Carricou and Petit Martinique, and 46 village councils. The city of St Georges will be a municipal borough headed by a mayor.

Blaize said the elections would be held around the middle of next year. Local government was abolished in 1968 by the Sir Eric Gairy government.

The London-based Commonwealth Fund for Technical Cooperation (CTFC) provided funds for a legal expert to help in drafting new local government laws.

Blaize's ruling New National Party pledged to restore local government when it scored a landslide victory in general elections just over a year ago. The elections returned Grenada to parliamentary democracy after four-and-a-half years of leftist rule that ended in a U.S.-led invasion in October 1983.

NETHERLANDS ANTILLES

FORMER PRIME MINISTER TO FORM NEW CABINET

FL121636 Hilversum International Service in English 1030 GMT 12 Dec 85

[Text] Former prime minister Domenico Martina and Dr Claude Wathey are to lead the new government of the Netherlands Antilles. Governor Romer has asked them to form a cabinet which can count on broad support in the island's elected council so that a coherent policy towards social, economic, and monetary problems can be pursued and the restructuring of the Antilles can go ahead.

The new cabinet is expected to be formed very quickly. Domenico Martina and Dr Wathey are leaders of the 7-party bloc formed immediately after the elections which can count on 15 of the 22 seats in the council. The 7 parties had earlier made it known that they would not work with the PNP [People's National Party] party of the present Prime Minister Maria Liberia Peters.

ST VINCENT AND THE GRENADINES

CARIBBEAN REACTION TO GUYANA ELECTIONS NOTED

FL120320 Bridgetown CANA in English 0243 GMT 12 Dec 85

[Text] Kingstown, St Vincent, Dec 11, CANA -- St Vincent and the Grenadines Prime Minister James Mitchell, commenting on the results of the controversial Guyana general elections, said today they had put the credibility of the whole Caribbean community (Caricom) at [words indistinct].

With the ruling People's National Congress (PNC) heading for a landslide win amid allegations of fraud, Mitchell told CANA: I am afraid that no one really expected any different result from Guyana. Anyone who is expecting that an election in Guyana would go in any different way, I'm afraid is very naive. I would think if the government of Guyana really wanted to establish international credibility, they would have permitted observers from the Caribbean and from outside to come in and see exactly what is going on. I think it is really sad that in the Caribbean region we have this burden to carry, Mitchell said.

The PNC's opponents and observers have long accused the PNC of rigging elections to stay in power for 21 years. Their requests for international observers to monitor the poll were rejected by President Desmond Hoyte.

Mitchell said the international community would be watching the reaction of the Caribbean to the Guyana election, adding that Caricom credibility may be at stake. I think that the Caribbean governments will have to stand up and be counted if we are going to maintain creditability with the rest of the world, Mitchell said.

Yesterday, Dominica's Prime Minister Eugenia Charles also questioned why the PNC refused to have foreign witnesses to the polling on Monday.

Today, a Guyana government spokesman reacted angrily at her statement, saying she did not have the facts. The administration, he said, was preparing a detailed statement on the elections, which would respond to the allegations of malpractice. Government ministers have insisted that the poll was free and fair.

FURTHER REPORTAGE ON GENERAL ELECTION RESULTS

FL122300 Bridgetown CANA in English 2229 GMT 12 Dec 85

[Text] Georgetown, Guyana, Dec 12, CANA -- Following are results of two of the three remaining regions to be declared in Guyana's general election:

Region seven: (Cuyuni/Mazaruni)

PNC: -- 6,412
PPP: -- 238
UF: -- 162
WPA: -- 25
DLM -- 18
NDF -- 12
PDM -- 26

(81 spoilt votes)

Total registered: 8,360

Votes Cast: 6,974 (83.4 per cent)

Region nine: (Upper Takatu/Upper Essequibo)

PNC -- 5,115
PPP -- 238
WPA -- 11
DLM -- 4
NDF -- 5
PDM -- 5

(34 votes spoilt)

Total registered: 7, 120

Votes cast: 5,563 (78.1 per cent)

Hoyte Sworn in as President

FL130030 Bridgetown CANA in English 0005 GMT 13 Dec 85

[Text] Georgetown, Guyana, Dec 12, CANA -- People's National Congress (PNC) leader Desmond Hoyte was tonight sworn in as president of Guyana, after final results from Monday's controversial elections gave the PNC a landslide win.

The official results, announced by Elections Commission Chairman Harold Bollers, gave the PNC 42 seats in the 53-member National Assembly, as against eight for the main opposition People's Progressive Party (PPP), two for the United Force, and one for the Working People's Alliance (WPA).

The opposition and several national groups, including the Roman Catholic and Anglican churches, denounced the poll as fraudulent. Both the PPP, which today said it would boycott parliament, and the WPA have announced plans to take their grievances to court.

Hoyte, who assumed the nation's highest office on the death of President Forbes Burnham last August, made no speech at the brief swearing-in ceremony, witnessed by foreign diplomats, government officials, and a few hundred PNC supporters. He is scheduled to address the nation tomorrow, when he will speak about his administration's plans for the new five-year term. At a news conference yesterday, he said priority attention would be given to resuscitating the ailing economy.

Three other parties -- the Democratic Labour Movement (DLM), the People's Democratic Movement (PDM), and the National Democratic Front (NDF) -- contested the poll.

Under Guyana's system of proportional representation, seats are allocated on the basis of the total number of votes polled by each party.

Final results gave the PNC a total of 228,718 votes, the PPP 45,926, the UF 9,810, the WPA 4,176, the DLM 2,157, the PDM 232, and the NDF 156. Both the PDM and NDF lost their deposits.

A WPA spokesman said tonight the party's executive had scheduled a meeting for tomorrow to decide what to do with the lone seat it won. The party, like the PPP, had withdrawn from the election proceedings before they had closed Monday, after citing several cases of malpractices.

The PPP's allocation of eight seats is two less than its tally in the last parliament. The UF retained the two seats it held.

Just under 400,000 persons were eligible to vote.

POLITICAL PARTY LEADERS TO VISIT NETHERLANDS

FL071350 Bonaire Trans World Radio in English 1130 GMT 7 Dec 85

[Text] Leaders of three political parties in Suriname have been invited to the Netherlands to discuss the new Dutch alliance with the head of Suriname's military government, Lieutenant Colonel Desi Bouterse. The invitation is linked to the question of whether the Dutch Government will resume aid to Suriname. The aid began 10 years ago when Suriname became independent from the Netherlands but it was cut off in 1982 following the murder of 15 leaders of the political opposition.

NETHERLANDS MINISTER ON DIPLOMATIC RELATIONS

FL121612 Hilversum International Service in English 1030 GMT 12 Dec 85

[Text] Dutch Minister for Foreign Affairs Hans van den Broek intends to make every effort to fully restore diplomatic relations with Suriname. So far, however, he has seen no signs from the Suriname side to justify an improvement in relations. Minister Van den Broek said in the Dutch parliament that the talks between military leader Bouterse and Suriname's former political leaders could be an important development for that. In the agreement reached in the talks, they lacked any indication of the way in which worthwhile democracy could be restored in Suriname.

In the near future, the Dutch Ambassador Mr Van Houton is to return to Suriname with a message for the government which will contain a request for information on how democracy will be restored and how exactly the population will be represented. If this information is forthcoming, then a normalization of relations will be possible, all this according to Mr Van den Broek..

LABOR MINISTER DANKERLUI FORCED TO RESIGN

FL112116 Paramaribo International Service in English 1800 GMT 11 Dec 85

[Text] Minister Edmund Dankerlui, of Labor, has resigned Monday. The minister did so after the top deliberating council had, during an urgent meeting, asked him to consider resigning. Director Herrenberg, of the commander's cabinet, declared that this decision of the top deliberating council was not taken on the basis of the fact that the progressive workers organization [PWO] has announced its allegiance to the minister.

The PWO had done so after the minister had threatened (?some striking) laborers with a handgun. The ministers are, since the information of the last cabinet, no longer representatives of factions so they cannot be recalled by organizations, so Herrenberg said. It would be more correct if the PWO had expounded this case to the top deliberating council, which is the highest political body, instead of separately renouncing its allegiance to the minister, so the director of Commander Bouterse's cabinet explained.